

INDIAN TEA ASSOCIATION

REPORT

OF THE

GENERAL COMMITTEE

FOR THE YEAR ENDED 31st DECEMBER 1965.

Calcutta :

1966

REPORT
INDIAN TEA ASSOCIATION
1965

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Report for the year ended 31st December, 1965

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INDIAN TEA ASSOCIATION

REPORT OF THE GENERAL COMMITTEE FOR THE YEAR ENDED 31ST DECEMBER 1965

The General Committee have pleasure in presenting to members their report on the work of the Association during their period of office.

Membership.— The following tea companies and tea estates resigned from the membership of the Association during the year :—

Behubor Co., Ltd.

Bokakhola Tea Estate

Durgapur Tea Estate

Jamguri Tea Estate

Nirmala Tea Estate

Majagram Tea Co., Ltd.

The membership area of the Association as at 31st December, 1965 stood at 144,734 hectares as compared with 146,466 and 145,257 hectares as at 31st December, 1964 and 1963 respectively.

General Committee, Chairman and Vice-Chairman.— At the Annual General Meeting of the Association held on the 5th March, 1965, the following companies were declared elected by the vote of members to constitute the General Committee for the year 1965 and the representatives of these firms who comprised the Committee during the year, were as follows :—

Balmer Lawrie & Co., Ltd.	}	Mr. P. C. Simms
		Mr. V. K. Chaudhri

Davenport & Co., Private Ltd.	{ Mr. B. P. Bajoria Mr. S. Prashad Mr. H. R. Shah
Duncan Brothers & Co., Ltd.	Mr. A. F. Macdonald
Gillanders Arbuthnot & Co., Ltd.	Mr. G. A. Whitaker
James Finlay & Co., Ltd.	Mr. A. N. Sircar
James Warren & Co., Ltd.	{ Mr. M. R. Smith Mr. P. B. Datta
Jardine Henderson, Ltd.	{ Mr. B. D. C. Dunhill Mr. M. Lamond
Macneill & Barry Ltd.	Hon. S. P. Sinha
Octavius Steel & Co., Ltd.	{ Mr. S. D. K. Fraser Mr. D. J. R. Petitpierre
Shaw Wallace & Co., Ltd.	{ Mr. D. B. Wallace Mr. P. Steyn, M.C.
Williamson Magor & Co., Ltd.	Mr. E. H. Hannay, O.B.E.
Andrew Yule & Co., Ltd.	{ Mr. P. A. Francis Mr. F. P. D. Hurst

At the first meeting of the General Committee held on the 9th March, 1965, Mr. A. F. Macdonald of Duncan Brothers & Co., Ltd. was elected Chairman of the Association and Mr. E. H. Hannay, O.B.E. of Williamson Magor & Co., Ltd. was elected Vice-Chairman.

Sub-Committees.— The following Sub-Committees were constituted during the year 1965:—

West Bengal Sub-Committee

{	Mr. D. B. Wallace,	Mr. P. A. Francis
	<i>Chairman</i>	
{	Mr. P. Steyn, M.C.	Mr. R. L. Mellor
{	Mr. M. Lamond,	Mr. C. R. F. Mackenzie
	<i>Vice-Chairman</i>	
{	Mr. B. D. C. Dunhill	Mr. G. W. Maycock
{	Mr. M. J. Chaytor	Mr. G. J. Duncan
{	Mr. S. D. K. Fraser	Mr. A. N. Sircar
	Mr. D. J. R. Petitpierre	Mr. S. Prashad

During Mr. Wallace's absence on leave Mr. M. Lamond acted as Chairman of the Sub-Committee.

Scientific Sub-Committee

Mr. I. F. Morriss, O.B.E.,	Mr. R. MacIntosh
	<i>Chairman</i>
Hon. S. P. Sinha,	
	<i>Vice-Chairman</i>
Mr. A. F. Macdonald	Mr. A. N. Sircar
Mr. M. R. Smith	Mr. P. Steyn, M.C.
Mr. P. A. Francis	Mr. M. C. Whear
{	Mr. P. C. Simms
	Mr. V. K. Chaudhri
Mr. M. J. Griffiths	Mr. G. A. Whitaker
	Mr. C. R. F. Mackenzie

Calcutta Port, Supplies and Transport Sub-Committee

Mr. M. R. Smith,	Mr. P. Steyn, M.C.
Chairman	Mr. V. K. Chaudhri
{ Mr. G. Morgan	{ Mr. R. A. Barnes
{ Mr. P. K. Kaul	{ Mr. F. P. D. Hurst
	{ Mr. A. Bose
{ Mr. M. C. Taraporvala	{ Mr. A. Mukherji
{ Mr. C. J. N. Will	{ Mr. S. K. Mullick
Mr. R. C. N. Scott	
{ Mr. J. Duncan	Mr. S. C. Boucher
{ Mr. J. D. W. Allan	(for warehouse matters)

During Mr. Smith's absence on leave Mr. C. J. N. Will acted as Chairman of the Sub-Committee.

Cachar Sub-Committee.

{ Mr. S. D. K. Fraser,	Mr. M. C. Taraporvala
Chairman	
{ Mr. D. J. R. Petitpierre	{ Mr. C. J. N. Will
Mr. P. B. Datta	{ Mr. B. D. C. Dunhill
Mr. R. L. Mellor	{ Mr. M. Lamond

Labour Wages and Bonus Sub-Committee

Mr. A. F. Macdonald,	{ Mr. P. C. Simms
Chairman	{ Mr. V. K. Chaudhri
Mr. P. A. Francis	Hon. S. P. Sinha
Mr. E. H. Hannay, O.B.E.	
Mr. C. R. F. Mackenzie	Mr. G. A. Whitaker

Finance and Taxation Sub-Committee

Mr. J. C. Laing, O.B.E. <i>Chairman</i>	Mr. G. A. McCarthy
{ Mr. F. D. Collins Mr. B. Ghose	Mr. S. K. Mitra
Mr. D. Fordwood	Mr. R. C. N. Scott
Mr. D. A. Houghton	

Emoluments Sub-Committee

Mr. A. F. Macdonald, <i>Chairman</i>	Mr. G. A. McCarthy
{ Mr. B. D. C. Dunhill Mr. M. Lamond	Mr. R. C. N. Scott
Mr. E. H. Hannay, O.B.E.	Hon. S. P. Sinha

General Engineering and Technical Sub-Committee

Mr. I. F. Morriss, O.B.E. <i>Chairman</i>	Mr. M. C. Whear
Mr. E. H. Hannay, O.B.E.	Mr. J. Bain
Mr. J. A. Eastwood	Mr. W. J. M. Leith

Air Scheme Sub-Committee

Mr. E. H. Hannay, O.B.E. <i>Chairman</i>	Mr. G. A. Whitaker
{ Mr. D. B. Wallace Mr. P. Steyn, M.C.	{ Mr. M. R. Smith Mr. B. D. C. Dunhill Mr. M. Lamond

Staff at Calcutta and Shillong.— The Association's staff at Calcutta at present consists of Mr. P. Crombie, M.B.E., the Senior Adviser, Mr. P. J. Parr, the Calcutta Adviser and Mr. D. Chakravarti, the Economic Adviser.

Mr. J. S. Hardman, O.B.E., continued to serve as the Association's Adviser at Shillong during the year. When he was on leave Mr. G. T. Allen, M.C. acted as the Shillong Adviser.

The Association's secretarial work continued to be performed by the Bengal Chamber of Commerce and Industry from whose staff Mr. E. I. Brown, Mr. D. A. Sprigge and Mr. K. Watson were deputed to attend to the Association's work.

Stipendiary Staff of the Association at the Branches.

Mr. R. D. E. Langford-Rae died in a motor car accident on the 25th March, 1965 and the vacancy created was filled by the appointment of Mr. M. K. Courtney, who joined the services of the Association in September, 1965.

Mr. J. R. Gee Smyth continued to serve on deputation as Administrative Controller, Tocklai Experimental Station during the year ; and during his absence on leave Mr. D. K. Dutta acted in his place.

At the end of the year the staff were posted as follows :—

ASSAM BRANCH

Headquarters

Secretary : ... Mr. S. B. Datta

Labour Adviser : ... Mr. J. E. Atkins

Zone 1

Secretary/Labour

Adviser : ... Mr. D. K. Dutta

Addl. Secretary/Labour

Adviser : ... Mr. E. K. Rawson-Gardiner

Zone 2

Secretary/Labour

Adviser : ... Mr. R. K. Jaitly

Addl. Secretary/Labour

Adviser : ... Mr. M. K. Courtney

Zone 3

Secretary/Labour

Adviser : ... Mr. K. M. Hutchison

Mr. G. T. Allen, M.C.

Mr. E. F. Eduljee } ... On leave

SURMA VALLEY BRANCH

Secretary : ... Mr. S. Raha

Mr. K. N. Sircar ... On leave

DOOARS BRANCH :

Secretary : ... Brig. F. H. Stevens, O.B.E

Labour Adviser : ... Mr. R. C. Mazumdar

Addl. Labour Adviser

(West) ... Mr. T. Borooah

Addl. Labour Adviser

(East) ... Mr. S. Singh

DARJEELING BRANCH

Secretary/Labour

Adviser : ... Mr. T. J. Mathias, D.S.C.

TERAI BRANCH

Secretary : ... Mr. J. D. Gabriel

Statistical Department.— Under the control of the Association's Economic Adviser, the Statistical Department provided a valuable service to the Association and continued to maintain the usual statistics regarding the North India crop estimates, housing, medical facilities, area under tea and labour employed on tea estates in the membership of the Association. It also provided useful material for the various representations made by the Association to the Central and State Governments and other official bodies.

The Tea Board.— (1) *The Board.*—The Association was represented on the Tea Board by the following gentlemen :—

Mr. H. K. FitzGerald

Mr. I. F. Morriss, O.B.E.

Mr. G. E. Stevenson

Mr. S. G. B. Brown, O.B.E.

Mr. H. K. FitzGerald resigned his appointment in March, 1965 and Mr. A. F. Macdonald was appointed a member of the Board in his place.

(2) *The Executive Committee.*—The Tea Board has an Executive Committee of nine members and the Association was represented on this Committee by Mr. A. F. Macdonald.

(3) *Licensing Committee.*—Rule 12 of the Tea Rules 1954 provides for the constitution of two Licensing Committees, one for North India and the other for South India. The Association's representatives on the North India Committee are Mr. A. F. Macdonald and Mr. I. F. Morriss, O.B.E.

(4) *Export Promotion Committee.*—The Tea Board has an Export Promotion Committee of seven members, which is entrusted with the task of promoting exports of tea. The Association is represented on the Committee by Mr. I. F. Morriss, O.B.E.

(5) *Labour Welfare Committee*.--The Association was represented on the Labour Welfare Committee of the Tea Board by Mr. G. E. Stevenson and Mr. S. G. B. Brown, O.B.E.

(6) *Ad Hoc Tea Research Liaison Committee*.--One of the functions of the Tea Board is to undertake, assist or encourage scientific, technological and economic research and the task of making representations for this purpose is allotted to the Tea Board's *Ad Hoc* Tea Research Liaison Committee on which the Association is represented by Mr. I. F. Morriss, O.B.E. and Mr. P. J. Parr.

Indian Standards Institution. The Association continued its membership of the Indian Standards Institution during 1965 and was represented on the following Committees of the Institution :—

- (i) Wood Products Sectional Committee by Mr. M. J. Griffiths and Mr. A. J. Cameron both of Williamson Magor & Co., Ltd., as principal and alternate representatives respectively.
- (ii) Paper Products and Packaging Materials Sectional Committee by Mr. M. J. Griffiths of Williamson Magor & Co., Ltd. and Mr. K. Ghosh of A. Tosh & Sons (Private) Ltd. as principal and alternate representatives respectively.

Representation of the Association on Various Bodies.— The Association was represented on various public bodies during 1965 as follows :—

- (a) The Governing Body of the Endowment Fund of the School of Tropical Medicine, Calcutta, by Mr. I. F. Morriss, O.B.E.
- (b) The Committee of Control of the Ross Institute of Tropical Hygiene, India Branch, by Mr. I. F. Morriss, O.B.E.

- (c) The Eastern Regional Committee of the Central Commercial Representation Fund, by A. F. Macdonald.
- (d) The Railway Rates Advisory Committee, by Mr. M. R. Smith.
- (e) The West Bengal Leprosy Association, by Mr. S. Menon.
- (f) West Bengal Pradesh Committee of Sardar Vallabhbhai Patel Memorial Fund, by Mr. G. A. Whitaker.
- (g) North Bengal Flood Advisory Committee, by Mr. D. Dunbar.
- (h) Minimum Wages Central Advisory Board, by Mr. P. Crombie, M.B.E.
- (i) West Bengal Minimum Wages Advisory Board, by Mr. P. Crombie, M.B.E.
- (j) Export Sub-Committee of the Bengal Chamber of Commerce and Industry, by Mr. A. F. Macdonald.
- (k) Labour Relations Sub-Committee of the Bengal Chamber of Commerce and Industry, by Mr. P. J. Parr.
- (l) West Bengal State Electricity Consultative Committee, by Sir Richard Duckworth, Bt.
- (m) West Bengal Forest Advisory Board, by Mr. R. D. C. McCall, M.C.

Indian Tea Association (London).— As in the past the General Committee corresponded throughout the year with the Indian Tea Association (London) on all matters of common interest and liaison between the two Associations was greatly facilitated

by an interchange of visits which made possible discussion on the many problems which confronted the Industry in 1965.

The Chairman of the London Association, Mr. A. H. Galloway paid a visit to India in January/February, 1965 during which he toured the tea districts and held discussions with the Committee on the various matters which were under correspondence with London.

In accordance with custom, the Chairman and the Senior Adviser paid a visit to London in July, 1965 when discussions on a wide range of subjects took place.

United Planters Association of Southern India.— As in the past liaison has been maintained with the United Planters Association of Southern India by an exchange of views on matters of importance to the Tea Industry. The South Indian Association was represented at various meetings of the Consultative Committee of Plantation Associations held in Calcutta during the year. Consultations were also held with the UPASI representatives and the closest liaison was maintained during the various sessions of the Wage Board. The Chairman and Senior Adviser visited South India in September to attend the Annual General Meeting of the United Planters Association of Southern India and the opportunity was taken of holding a meeting of the Consultative Committee of Plantation Associations at that time.

The Branch and District Associations.— The various Branch and District Planters Associations with whom the Association corresponded on all matters of interest to producers were as follows :—

	<i>Membership area in hectares</i>
Assam Branch Indian Tea Association ...	100,237
United Planters' Association of Southern India ...	55,970
Dooars Branch Indian Tea Association ...	41,534

			<i>Membership area in hectares</i>
Tea Association of India	...	...	34,560
Indian Tea Planters Association, Jalpaiguri	...	...	25,101
Assam Tea Planters Association	...	...	20,920
Darjeeling Branch Indian Tea Association	...	...	16,415
Bharatiya Cha Parishad	...	...	13,180
Surma Valley Branch Indian Tea Association	...	...	11,627
Surma Valley Indian Tea Planters Association	...	...	7,361
Terai Branch Indian Tea Association	...	...	5,625
Terai Indian Planters' Association	...	...	4,369
Tripura Tea Association	...	...	4,430
Kangra Valley Indian Planters Association	...	...	3,890
Dehra Dun Tea Planters Association	...	...	1,321

Consultative Committee of Plantation Associations. The Consultative Committee continued to function throughout the year and held a total of eleven meetings, one of which was held in Coonoor in September, 1965 and the remainder in Calcutta.

The Consultative Committee served a very useful purpose and enabled producers' views on various matters of interest to the Industry to be exchanged. Discussions during the year covered the following main subjects :—

- (i) *Finance, Bill, 1965*—A memorandum was submitted to the Finance Ministry of the Government of India with copies to the Commerce Minister expressing the Industry's disappointment that in the Finance Bill, Government had only partially accepted certain of the recommendations of the Tea Finance Committee and had disregarded a great number. A delegation consisting of the Chairman, Mr. A. F. Macdonald, the President of UPASI, Mr. R. Storey Dickson, Mr. P. C. Borooah, M.P. of the A.T.P.A. and the Senior Adviser, Mr. P. Crombie, M.B.E. met the Finance

Minister on the 24th March, 1965 when the points raised in the memorandum were further explained.

(ii) *Payment of Bonus Ordinance and Payment of Bonus Act.*—The implications of the Payment of Bonus Ordinance and the Payment of Bonus Act were closely studied. It was agreed that Constituent Associations should submit applications on behalf of their members asking for exemption from the provisions of the Payment of Bonus Ordinance.

(iii) *Depreciation/Rehabilitation Allowance.*— Detailed consideration was given to a proposal by UPASI that Government should be asked to allow depreciation on tea bushes.

(iv) *Tax Credit Certificate Scheme for Exporters.*—The provisions of the Tax Credit Certificate Scheme for Exporters received detailed study.

(v) *Wage Board.*—The progress of the Wage Board was discussed and briefs for the Industry's representatives were agreed upon.

All these matters are dealt in greater detail elsewhere in the report.

Tea Research Association.— (1) *Council of Management.*— The Association continued to be represented on the Council of Management of the Tea Research Association by Mr. P. Crombie, M.B.E., Senior Adviser.

Mr. I. F. Morriss, O.B.E. of Jardine Henderson Ltd. continued as Chairman of that Association during the year. Mr. A. F. Macdonald, of Duncan Brothers & Co., Ltd. resigned his appointment as Vice-Chairman on his election to the Chairmanship of the Indian Tea Association and the Hon. S. P. Sinha was elected Vice-Chairman of the T.R.A. in his place.

(2) *Staff at Tocklai Experimental Station.*—The following members of the Association's staff who were serving on deputation at Tocklai Experimental Station resigned or retired from the Association's service during the year.

Mr. N. G. Gokhale,—Director : —Retired.

Dr. I. S. Bhatia,—Biochemist : —Resigned.

Dr. A. R. Sen,—Statistician : —Resigned.

With the retirement of Mr. Gokhale the Tea Research Association accepted full responsibility for the appointment of the Director, Tocklai Experimental Station and appointed Mr. D. H. Laycock, M.B.E., to this post with effect from 15th October, 1965.

(3) *Annual Conference and Lecture Courses.*—The 22nd Annual Conference at Tocklai Experimental Station was held on the 16th, 17th and 18th November, 1965. The Association was allocated 52 seats, of which 9 were given to the Branches and the balance was allocated to Agency Houses in proportion to their subscription to the Tea Research Association.

The programme of the Conference consisted of Symposia on the following subjects :

(a) Drought & Irrigation.

(b) Use of Agricultural Chemicals.

(c) Engineering Development and Manufacture.

Three five-day Field Management Courses were held from the 1st May to the 28th May, 1965 and two four-day Factory Management Courses were held from the 2nd June to the 10th June and were well attended.

Two four-day lecture courses on "Vegetative Propagation" were held from the 14th June to the 17th June, 1965 and from the 21st June to 24th June.

TEA CONTROL, CALCUTTA & LONDON MARKETS

International Tea Agreement. At a meeting of the F. A. O. Committee on Commodity Problems held in 1964, the Government of Ceylon had renewed its request for the setting up of a formal study group for tea. This proposal was not acceptable to the Government of India but as a compromise it had been agreed that an *ad hoc* inter Governmental Conference should be held in 1965 when the main producing countries would meet and decide whether or not to recommend to the F.A.O. that a formal study group for tea should be set up. The Conference was held at Nuwaraellia from the 10th to the 17th May, 1965 and was attended by the Chairman and other officials of the Tea Board. The Conference decided that it was desirable to set up some forum in which there could be periodic consultation, with F. A. O. keeping a watch on market trends. It was not considered necessary to set up a Study Group as such, as there was no immediate necessity for such a formal body.

Tea Control in India. (1) *The Tea Act.*—Control over the planting of tea in India and over its export from the country is exercised by the Government of India through the medium of the Tea Act, 1953. No amendments to the Act were made during the year.

(2) *The Rules under the Act.*—Two amendments were made to the Tea Rules during the year. Copies of the notifications dated 10th February and 22nd April, 1965 issued by the Government of India, Ministry of Commerce are reproduced in the appendices to this report.

The first amendment was of a minor nature. The second amendment liberalised the regulations relating to the planting of extensions and replacements and increased the period allowed for the uprooting of bushes from areas being replaced from eight years to ten years.

(3) *Export Quota Allotment.*—The export quota system continued under suspension during the year under review but all exports of tea had to be covered by licences, which were issued by the Tea Board on payment of a licence fee of Rs. 2.20 per 1,000 kgs. or part thereof.

(4) *Export of Tea Seed.*—In last year's report it was recorded that an enquiry was being made to ascertain whether members were having any difficulties in connection with the disposal of their tea seed crops. The enquiries revealed that substantial quantities of tea seed remained unsold in the hands of producers ; and it was therefore suggested to the Tea Board that a representation should be made to the Government of India asking for a relaxation in the ban on the export of tea seed in order to allow producers to export such limited quantities for which they were unable to find buyers in India.

The Tea Board, however, were unable to support the Association's proposal on the grounds that the demand for tea seed would again exceed production as soon as the Industry embarked upon its expansion programme for the 4th Five Year Plan period.

(5) *Tea Cess.*—During the year under review tea cess continued to be levied on exported teas at the rate of Rs. 4.4 per 100 kilograms.

Marketing of the 1965 crop.—(1) *Crop.*—On the basis of the monthly crop returns submitted by Agency Houses the 1965 tea crop in North East India has been estimated by the Association's Statistical Department at 271,928,393 kilograms as compared with the revised estimate of 287,611,985 kilograms for 1964 which indicates a decrease of 5.45 per cent.

(2) *Export Quota Allotment.*—The suspension of the export quota system continued during the year under review.

(3) *Calcutta Auctions.*—The Leaf Sales of the 1964 crop, which was the largest ever harvested in North East India, were completed by March, 1965 and the dust sales within May, 1965.

The first leaf sale of season 1965/66 was held on the 26th April, 1965 ; and thereafter weekly auctions were held. Owing to the first sale being held so early, considerably less Darjeeling teas were sold privately than in previous years. The first dust sale was held on the 2nd June, 1965. By the end of the year 34 sales had been held.

(a) *Leaf Sales.*—The bulk of offerings in the early sales were as usual, from the Darjeeling District. Relatively high prices were obtained in the first sales. Prices thereafter showed a decline until the second flush-invoices appeared when some quite useful prices were realised but levels were generally well below last year's peak. "Rains" tea from Darjeeling sold well.

Orthodox Assams also sold well, the tippiest sorts realising very good prices. From about the end of October, however, prices began declining. C. T. C. teas met with a rather mixed reception and the average for Assam C.T.C. was only slightly higher than last year.

Dooars C.T.C teas were well supported throughout. The plainer varieties sold reasonably well but prices did not generally reach last year's levels as quality was often below average. Medium C.T.C. were irregular throughout.

Orthodox Dooars and Cachar teas received good demand in the early months of the season but at declining prices. The more stylish B.O.P.s met with keen competition in July and August and also sold well in September when there was a general hardening of prices on account of the uncertain supply position caused by the hostilities between India and Pakistan.

The average price of all teas (exclusive of excise duty) up to sale No. 34 was Rs. 5.75 per kg. as compared with Rs. 5.32 to the

same date last year. All districts recorded an increase, the highest being in Darjeeling where the increase amounted to 108 paise. Assam showed an increase of 31 paise, Cachar an increase of 40 paise, the Dooars an increase of 43 paise and Terai an increase of 39 paise. The number of chests sold amounted to 1,451,502 as compared with 1,521,613 on same date in the previous year.

(b) *Dust Sales*.—Dust grades generally received a useful enquiry throughout the season although prices showed a decline from towards the end of October.

At the end of the year 750,262 chests had been sold at an average price of Rs. 5.15 per kilogram as against 723,544 chests at an average price of Rs. 4.77 per kilogram to the same date in previous season.

(c) *Quality*.—Darjeelings maintained a satisfactory standard of leaf appearance throughout the season although possibly a little less tip was noticeable in the top grades of some estates. Cup quality of early first flush invoices varied considerably, with flavour slightly above average in the first sales and below average in later sales. Owing to adverse weather conditions, second flush flavour was overall disappointing. Cup quality of rains teas was barely average. Towards the end of October quality showed some improvement but comparatively few teas were seen which possessed an early autumnal flavour.

Early teas from Assam both orthodox and C.T.C. maintained a satisfactory leaf standard and liquors were in many cases rather less green in character than usual. Leaf appearance continued to be satisfactory during the second flush but cup quality was generally barely average owing to unfavourable weather. This trend continued during the rains period when liquors showed the usual seasonal decline.

Dooars and Terai teas, both Orthodox and C.T.C. were satisfactory in respect of leaf appearance. Liquors were generally

fully average. Rains invoices however showed an appreciable decline in cup. Legg Cut teas, overall, maintained a full average standard in regard to both leaf and liquors.

Leaf appearance of teas from Cachar and Tripura were about average although with a few exceptions, C.T.C. teas were brownish and showed at times more fibre than was desirable. Liquors of orthodox offerings tended to be plain and soft and throughout the season were somewhat below average. C.T.C. liquors were about average and in some cases some bright and coloury teas were offered.

Shipment of unsold teas to the London Auctions.— The Calcutta Tea Regulation Committee continued to watch over shipments to the London Auctions during the year.

Prevention of Food Adulteration (Amendment) Act 1964.— The Prevention of Food Adulteration (Amendment) Act 1964, to which reference was made in last year's report, came into force on the 1st March, 1965. As a result of the amendments made by this Act manufacturers were required to issue warranties in respect of all their sales of tea.

In consultation with the Calcutta Tea Traders Association it was recommended to all tea producers that the following warranty should be stamped on all copies of the estate invoice documents either at the estate or in Calcutta except in the case of invoices relating to direct shipment teas : —

"I We hereby certify that food/foods mentioned in this invoice is/are warranted to be the same in nature, substance and quality as that demanded by the vendor."

In the case of ex-factory sales, estates were advised to issue their warranties in Form VIA prescribed under the Rules.

Warehousing conditions.— Warehousing accommodation occupied by the public warehousemen upto May, 1965 was as follows :—

		<i>Accommodation for</i>
Sale Tea Warehouse ...	...	2.40 lakh chests
Hide Road Warehouse ...	...	1.44 lakh chests
Kantapukur Sheds ...	...	1.59 lakh chests
Sections of Nos. 2, 3 & 4		
King George's Docks	...	1.50 lakh chests
		<hr/> 6.93 lakh chests

After September, 1965, when all movement by river was stopped, the main arrivals were by rail and road with a small percentage by air. The Port Commissioners took over 3 King George's Docks for unloading U.K. teas and the public warehousemen had to take over accommodation not normally used by them in order to facilitate the speedy unloading and quick turn round of wagons. At the end of the year the public warehouse accommodation in use was :—

		<i>Accommodation for</i>
Sale Tea Warehouse ...	...	2.40 lakh chests
Hide Road Warehouse ...	...	1.44 lakh chests
Kantapukur Sheds ...	...	1.59 lakh chests
First floor of T. T. Sheds	...	0.57 lakh chests
A section of the new	...	
Libyan Warehouse	...	0.60 lakh chests
		<hr/> 6.60 lakh chests

The Libyan Warehouse is expected to be ready for occupation at the beginning of the 1966 season and as the Central Warehousing Corporation had refused to take over the public warehouses it became necessary for the Industry and Trade to consider how and by whom the warehouses should be operated. A Committee consisting of representatives of all sections of the

Industry and Trade was constituted under the chairmanship of the Chairman, Consultative Committee of Plantation Associations to deal with the problems which were expected to arise in this connection.

The Committee held its first meeting in December when it was agreed that the Trade would probably have to make arrangements for the operation of the Libyan Warehouse as well as Sale Tea Warehouse and the Hide Road Warehouse, under the Tea Board guarantee to the Port Commissioners. It appeared, however, that the rent chargeable for these latter warehouses might be considerably less than the rent chargeable for Libyan Warehouse which would make it possible to average out the cost of the space to be taken over. It was decided that, before any further action was taken, full details of the agreement between the Tea Board and the Calcutta Port Commissioners should be obtained especially in the matter of the rents to be charged. At the time that this report was written, the Chairman of the Consultative Committee was in touch with the Chairman of the Tea Board in this connection.

The Association was represented on the Joint Tea Warehouse Advisory and Tea Liaison Committee by Mr. M. R. Smith.

The Calcutta Port Commissioners revised their schedule of charges in the Calcutta Port with effect from the 1st August, 1965. The charges were generally increased by 10% and the surcharge was increased from 33½% to 50%. A list of the revised port charges affecting tea is reproduced in the appendices to this report.

Repatriation of Sale Proceeds of teas exported.— Towards the end of the year it was reported that members were experiencing difficulties with the Reserve Bank of India in connection with the repatriation of the sale proceeds of teas exported.

Under the Reserve Bank regulations sale proceeds should be received in India within six months from the date of shipment and in several cases the Reserve Bank had refused to allow extensions even when the delays were due to causes outside the control of the exporter. The Association, therefore, represented the matter to the Calcutta Exchange Banks' Association suggesting that a period of eight months should be allowed for the repatriation of sale proceeds. The Association's request is being examined by the Reserve Bank of India.

FINANCE AND TAXATION

Tea Board Schemes for assistance to the Tea Industry.—

(1) *Tea Machinery Hire Purchase Scheme.*—The Tea Machinery Hire Purchase Scheme was amended during the year to allow for loans sanctioned to tea estates to be repaid in ten annual instalments instead of seven, with interest at the rate of $6\frac{1}{2}\%$ per annum, a rebate of $\frac{1}{2}\%$ being allowed for prompt payment.

(2) *Tea Plantation Finance Scheme.*—In last year's report it was recorded that the rate of interest on loans under the Tea Plantations Finance Scheme had been reduced to $6\frac{1}{2}\%$ with a rebate of $\frac{1}{2}\%$ for punctual payments. During the year the Tea Board announced that for the first five years interest would only be collected at the rate of 5% and that the balance of the interest due in respect of each of these years would be recovered in two equal annual instalments with the interest for the 6th and 7th years.

Agricultural Refinance Corporation.— During the year the Agricultural Refinance Corporation drew up a proforma for use by tea estates requiring assistance from the Corporation in connection with projects for the planting of tea and the maintenance of immature tea areas and copies were circulated to members in Circular No. 125 dated the 5th November, 1965.

Following the issue of this proforma the Tea Board requested the Consultative Committee of Plantation Associations to nominate persons to serve on a panel of experts to whom the Corporation might refer specific issues on technical aspects of tea cultivation and production in respect of long term development loans applied for by tea estates. At the request of the Consultative Committee the Association asked the Branch Associations to nominate one manager from each Circle or Sub-district to serve on the panel.

Central Budget 1965.— The main proposals of the Government of India's 1965 Budget of interest to the Tea Industry were—

(a) *Tax Credit Certificates to exporters.*—It was proposed to introduce a scheme for the grant of tax free Tax Credit Certificates to exporters of goods, to be specified in the scheme, at a rate also to be specified but not exceeding 15% of the sale proceeds of the goods exported.

(b) *Tax Credit Certificates for increased production.*— It was proposed to introduce a scheme for the grant of tax free Tax Credit Certificates to manufacturers of goods to be specified who produced goods during any one or more of the years in the 5 year period from the financial years 1965-66 to 1969-70, in excess of the production during the base year 1964-65 at a rate which would not exceed 25 per cent of the difference between the Central Excise duty paid in respect of the goods in the relevant financial year and such duty paid during the base year.

(c) *Development Allowance to tea plantation industry.*— A provision was made for the grant of a development allowance of an amount of 40 per cent of the cost of planting teas bushes in new areas (i.e. both new extensions and replacements on virgin land) and 20 per cent of the cost of replanting tea bushes in existing areas. The cost of planting would include the cost of preparing the land, cost of seed, cuttings and nurseries and also the cost of upkeep of the area for a period of four years including the previous year in which the land was prepared subject to a maximum of Rs. 12,500 per hectare in the case of a hill area and of Rs. 10,000 per hectare in the case of any other area. The allowance would be admissible in respect of expenditure on planting in new areas, incurred after 31st March, 1965 and in respect of replanting in existing areas where the planting commenced after 31st March, 1965 and was completed by 1st April, 1970.

(d) *Expenditure in promoting family planning.*—Bonafide expenditure incurred by a company for the purpose of promoting family planning amongst its employees would be allowed as a deduction in the computation of income from business. In the case of capital expenditure the deduction would be allowed over a period of five years.

From the Industry's point of view the Budget was a disappointment, because Government had only partially accepted certain of the recommendations made by the Tea Finance Committee and had disregarded many. A memorandum—a copy of which is reproduced in the appendices—was accordingly prepared by the Consultative Committee of Plantation Associations and submitted to the Finance and Commerce Ministries. The memorandum covered the following main points :—

- (a) *Refund of Excise Duty on exports.*—The Tea Finance Committee had recommended that a refund of 18 paise per kilogram should be allowed in respect of all tea exported and Government was reminded that this recommendation was one which would give a large amount of relief to the Industry.
- (b) *Tax Credit Certificates to Exporters.*—Government was asked to ensure that the credit certificates on exports were granted in respect of tea at the highest possible rate.
- (c) *Tax Credit Certificates for increased production.*—The hope was expressed that Government would include the tea industry under this scheme. It was recommended that instead of the base year being taken as the financial year 1964/65, which in the case of tea was a record crop year, the average production for the three years 1961, 1962, 1963 should be taken as the basis applicable to future production.

(d) *Development Allowance*.—The Tea Finance Committee had recommended a development allowance of 50% on the cost of planting and of 40% in the case of replanting. Government was asked to increase the rates announced in the Budget and also to make it clear that the allowance was in addition and quite separate from those enjoyed under other sections of the Income Tax Act.

Tax Credit Certificate (Exports) Scheme 1965.—The Finance Bill 1965 included a provision for the preparation of a Scheme for the grant of tax free tax credit certificates to exporters of goods to be specified, at a rate not exceeding fifteen per cent of the sale proceeds of the goods exported.

In a Press Note issued in July, 1965 the Government of India announced that tax credit certificates would be granted in respect of exports of loose tea other than green tea at the rate of 2% of the sale proceeds of such exports and in respect of tea in consumer packs of 1 kg. and less and of green tea at the rate of 5% of the sale proceeds. Details of the scheme for the grant of these certificates were published in a notification issued by the Government of India dated 17th August, 1965. The Scheme was brought into force from the 1st October, 1965 but was applicable to all exports made after the 28th February, 1965.

For the administration of the scheme regional offices were established at Bombay, Calcutta, Madras, Delhi, Cochin and Vishakhapatnam, each under the control of a Deputy/Assistant Director. Persons intending to apply for certificates under the scheme are required to give notice to that effect in Form A to the competent officer within 30 days of the date of export of the goods and to file notices in Form D claiming the tax credit admissible within 90 days of receipt of the proceeds by their bankers. For the period prior to the commencement of the scheme exporters were allowed up to the 15th November 1965 for the submission of the notices in Form A. Other difficulties

which arose were clarified in discussion with the Director, Tax Credit (Exports). It was agreed that in respect of exports up to the 31st October, 1965, where the exports had been made in the name of the Agency House, Form A should be filed in the name of the Agency House which would attach a letter asking the Deputy Director, Tax Credit (Exports) to issue the certificate in the name of the Tea Company on whose behalf the teas had actually been exported. In respect of exports from 1st November, 1965 it would be necessary for the Tea Company's name to be shown on the shipping bills etc.

Income Tax : Value of Rent Free Quarters. - The Central Board of Revenue had ruled that for income tax purposes variable commission or bonus which was not in excess of 50% of the salary should not be taken into account in calculating salary for the purposes of determining the value of rent free quarters.

Early in the year members reported that this ruling was not being followed by income tax officers and on enquiries being made it was revealed that the Central Board of Direct Taxes had in fact withdrawn the earlier instructions on the grounds that they were in conflict with the provisions of the Income Tax Rules. This matter was therefore taken up with the Bengal Chamber of Commerce and Industry who made a representation to the Board suggesting an amendment of the income tax rules to exclude variable bonus or commission in the calculation of salary for the purposes of determining the value of rent free quarters. The Board's reactions are awaited.

Income Tax Assessments : Bonus. - In a ruling given in 1957 the Central Board of Revenue had agreed that the anticipated liability on account of bonus in any year could be debited in the accounts for the year and considered in the next assessment provided that the companies undertook in writing to accept the necessary adjustment in the assessment of the subsequent year in which the actual payment was made.

In cases where a bonus agreement did not subsist in the year concerned the income tax officers allowed a provision for bonus, calculated on the basis of the previous agreement, to be debited in that year, the necessary adjustments being made in the accounts of the year in which the tripartite agreement, which covered the particular year, was signed.

As a result of a judgement by the Supreme Court, in which it was held that, where a mercantile system of accounting was followed the liability for bonus was incurred only when the claim was settled and should therefore only be allowed as a deduction in computing the income of the year in which the settlement was arrived at, income tax officers advised the companies that the provisions for bonus included by them in their 1963 accounts would not be allowed because the agreement covering that year had not been signed in 1963.

As this ruling was likely to cause tea companies considerable hardship, in that bonus claims for three years—the usual period of an agreement—would fall to be included in a single assessment once every three years and the companies would be required to pay in the earlier two years considerable extra tax, the Association referred the matter to the Central Board of Direct Taxes suggesting that income tax officers should be authorised to continue the past practice of allowing anticipated liability for bonus in tea companies' assessments in each year even when the relevant agreement did not subsist in that year.

The matter is still receiving the consideration of Government.

Sales Tax. — (1) *Sales Tax on tea seed.*—In last year's report it was recorded that the Association had made a representation to the Finance Department of the Government of West Bengal suggesting that "tea seed" should be included in Schedule I to the Bengal Finance (Sales Tax) Act, 1941 so that tea estates in West Bengal would be able to obtain their supplies of tea seed from West Bengal free of sales tax.

A reply was received from the Government of West Bengal in April, 1965 regretting its inability to accede to the Association's request on the grounds that from the enquiries made by Government it had been ascertained that in West Bengal tea estates grew their own tea seed or imported their requirements from Assam. In the circumstances transactions in tea seed within West Bengal on which sales tax had to be paid at the rate of 5% were very few and the industry was unlikely to be adversely affected if the exemption asked for was not granted.

In so far as supplies from Assam were concerned Government indicated that, as tea seed was regarded as an "oil seed" in Assam, Central Sales Tax was levied at the rate of 2% only and not at the rate of 10% as had been apprehended by the Association.

(2) *Sales Tax on Stores*.—Owing to difficulties experienced in obtaining declaration forms from the Commercial Tax Officers, who it was reported were questioning whether certain items fell within the scope of the exemptions given in the Registration Certificates, a suggestion was made that an exhaustive list of items normally purchased by a tea company under plant and machinery, spare parts, accessories, consumable stores and packing materials should be drawn up for the approval of the Commissioner of Commercial Taxes in order that tea companies would automatically receive exemption on the items listed.

Details of items of stores on which exemption from sales tax is at present allowed are being collected from members with a view to considering whether a consolidated list as suggested can be prepared.

West Bengal Taxes on Entry of Goods in Local Areas Act 1955.—In last year's report it was recorded that the Association had made a representation to the Finance Department of the Government of West Bengal suggesting that the West Bengal Taxes on Entry of Goods in Local Areas Act, 1955 should be amended

to provide for the exemption of all export teas—and not only direct shipment teas— from entry tax. During the year Government replied regretting its inability to accept the Association's proposal.

Owing to the closure of the steamer route from Assam to Calcutta, teas had to be sent down to Calcutta by steamer-cum-rail and by road. Arrivals in Calcutta, however, were irregular and Agency Houses experienced difficulties in the matter of the payment of Entry Tax because owing to the change in the pattern of arrivals it was difficult to determine the size of deposit to be maintained at each of the various check points at which teas were likely to arrive. In the circumstances heavy arrivals at one check point sometimes exhausted the deposit in respect of that check point while the Agency House concerned had large deposits unutilised at other check points.

It was suggested, therefore, to the Commissioner of Commercial Taxes, West Bengal that Agency Houses should be allowed to make one deposit, instead of several deposits, which would be credited to a Single Master Transport Pass, copies of which could be made available to all the check points. It was also suggested that Agency Houses should be allowed a period of one month to adjust the taxes payable by them instead of 14 days as at present. These suggestions were unfortunately not acceptable to the Commissioner.

Assam Carriage Tax. — In last year's report it was recorded that the Supreme Court had declared the Assam Taxation (on Goods Carried by Roads or Inland Waterways) Act, 1961 to be valid legislation and that it had therefore been decided not to oppose the Assam Government's appeal before the Supreme Court asking for a stay of the operation of the judgment and orders issued by the Assam High Court in Civil Rule No. 93 of 1961 and other pending cases.

During the year it was learnt that the Government of Assam had decided to realise from tea estates in Cachar the

Assam Carriage Tax which had been suspended from the quarter ended 30th June, 1959 to the 31st March, 1962 when the Act expired. The Consultative Committee of Plantation Associations therefore drew up a memorandum which was submitted to the Chief Minister, Assam explaining that Tea Companies in Cachar were in a parlous condition and could not pay the tax due from them which would amount to over Rs. 78½ lacs. A copy of the Consultative Committee's Memorandum is reproduced in the appendices to this report. Up to the time of writing this report tea estates in Cachar have not yet been called upon to make payment of the tax.

Assam Agricultural Income Tax. The rates of Assam Agricultural Income Tax for the year commencing 1st April, 1965 were fixed at the same level as in the previous year namely :—

- (a) Where the total income of the company does not exceed Rs. 1 lakh, on the whole of the total income—45 paise in the rupee.
- (b) Where the total income of the company exceeds Rs. 1 lakh but does not exceed Rs. 2 lakhs, on the whole of the total income—57 paise in the rupee.
- (c) Where the total income of the company exceeds Rs. 2 lakhs, on the whole of the total income—60 paise in the rupee.

Assam Panchayat Act. Last year the Shillong Adviser made several representations to the Government of Assam seeking to secure exemption of tea estates from the purview of Anchalik and other Panchayats. These representations however, were unsuccessful. Government advised that each individual case would be treated on its merits and that it would be necessary for objections to be lodged whenever any area of a tea estate was notified as falling in a panchayat area under a municipality or town committee.

During the year a further reference was made to the Government of Assam because it was reported that local Panchayats were taking the opportunity of Section 76 of the Assam Panchayat Act to increase the licence fees of private tea estate markets to exorbitant rates. It was pointed out to Government that these markets were set up for the convenience of tea estate labourers so that they could purchase their weekly requirements from a market within easy reach of their work. If licence fees were increased indiscriminately estate managements would either have to close down the markets or impose high rentals on the stall holders with resultant hardship on the workers.

In due course a reply was received from the Government of Assam stating that as the Assam Panchayat Act had been extended to the Plains Districts including tea estate areas and as these tea estate areas had been brought within the jurisdiction of specific Anchalik Panchayats it was not possible to impose any restrictions on these Panchayats in regard to tea estates.

It was pointed out, however, that apart from the provisions for appeal under sub-section 5 of Section 76 of the Assam Panchayat Act, persons affected by any imposition of tax or fee by Anchalik Panchayats could approach the State Government at two stages : namely, before the tax or fee was approved by the State Government, and after such approval, for suspension of the levy under sub-section 6 of Section 76 of the Act.

LABOUR

Indian Labour Conference.— The twenty-third session of the Indian Labour Conference was held in New Delhi on the 30th and 31st October, 1965 and was attended by Mr. P. J. Parr, the Calcutta Adviser.

Consideration of the various items on the Agenda for the Conference was postponed to the next meeting and the discussions were confined to the situation arising from the Emergency. The conclusions of the Conference were recorded in the form of a resolution a copy of which is reproduced in the Appendices to this report.

Standing Labour Committee.— The Twentythird Session of the Standing Labour Committee was held on the 27th March, 1965 in New Delhi and was attended by Mr. P. J. Parr, the Calcutta Adviser.

The main subjects discussed at the meeting were :—

- (a) *Industrial Disputes Act, 1947.*—The Labour representatives urged Government to act upon the recommendation of the Standing Labour Committee at a previous session to amend the Industrial Disputes Act, 1947 to empower tribunals to go into the merits of individual dismissals. Government agreed to reconsider the matter.
- (b) *Fair Price Shops.*—The Labour representatives urged Government to introduce legislation to make the setting up of fair price shops a statutory obligation. Government agreed to expedite the legislation.

- (c) *Bonus Bill.*—The report of the Tripartite Sub-Committee which had been set up to examine the draft Bonus Bill was discussed. In view of the divergence of opinion between the employers' and workers' representatives the Labour Minister declared that Government would proceed with the legislation keeping in mind the opinions expressed by employers' and workers' representatives.
- (d) *Draft Bill for regulating the employment of Contract Labour.*—It was decided that Government should proceed with legislation keeping in view the opinions expressed at the meeting.

Wage Board for the Tea Plantation Industry— The Wage Board for the Tea Plantation Industry which had been set up in 1960 under the Chairmanship of Mr. L. P. Dave held six meetings in 1965. Despite prolonged negotiations it was not possible, however, to reach agreement. The employers' representatives wished a settlement to include a further measure of conversion whereas the labour representatives asked for a cash wage to be fixed, with conversion being left over for separate negotiation. In the circumstances at the meeting of the Board on the 26th and 27th August, which was the last held in 1965, it was decided that the employer and labour representatives should submit their recommendations for the fixation of wages to the Wage Board in writing giving full reasons therefor; and that on receipt of these proposals a draft report should be prepared for circulation to the members of the Board, to be followed by a further meeting at which the draft should be discussed.

Minimum Wages : West Bengal.— In May, 1965, a few days before the West Bengal Assembly was prorogued, an M.L.A. raised the question of the revision of dearness allowance for tea estate workers in West Bengal in accordance with the provisions of notifications dated 20th August, 1959 in the case of the

Dooars and Terai and dated 28th September, 1959 in the case of the hill areas of Darjeeling

Thereafter when the Cabinet was in Darjeeling the Labour Minister held separate discussions with representatives of the Indian Tea Planters Association and of the Dooars and Darjeeling Branches as well as with representatives of the Unions. At the meetings the Unions conjointly demanded payment of dearness allowance in accordance with the terms of the 1959 notifications, claiming that the Consumers Price Index figures for the Dooars and Terai had risen by over 20 points since 1959 while those for Darjeeling had risen by 40 points. They, therefore, pressed for an enhancement of dearness allowance by 40 paise from September, 1965 for the Dooars and Terai ; and by 40 paise from October, 1963 and a further 40 paise from October, 1964 for the hill areas of Darjeeling.

On receipt of information from the Branches of the Unions' demands the Association addressed a representation to the Labour Department of the Government of West Bengal inviting attention to the representations which had been made to Government at the time when the notifications had been published and which Government had stated were under consideration. In these representations the Association had not only protested most strongly against the introduction of a sliding scale of dearness allowance without any consultation whatsoever with the Advisory Committee but had also stressed that the rate of change, which was far higher than the Industry could bear, appeared to be based on erroneous calculations. Government was urged to drop the question of increasing dearness allowance in accordance with the provisions of the notification and to allow the Wage Board to fix wages on the basis of the voluminous data now in its possession.

This letter was followed by a series of meetings when representatives of the Association met the Labour Minister.

the Labour Secretary, the Labour Commissioner and the Unions jointly and severally to discuss the Unions' demands. It was made clear from the very beginning that the Industry could not afford the increases in dearness allowance claimed by the Unions, and that the increases in the cost of living which had occurred since in 1959 had been compensated for by the interim increases granted by the Wage Board. It was urged, therefore, that any further revision in wages should be left to the Wage Board which was expected to reach a settlement in the near future.

On the Labour Minister suggesting, however, that an agreement reached on the question of minimum wages in West Bengal might be accepted by the Wage Board as a settlement in respect of tea estates in West Bengal it was decided to advise Government that the Industry was prepared to enter into negotiations with the Labour and to make a cash offer on receiving written assurances from Government that

- (a) Whatever the Employers might agree to pay would be accepted as the final wage by the Wage Board and that unless and until the Wage Board's final recommendations confirmed the figures the Employers would pay nothing. That if they did, the Employers would pay with retrospective effect to the date of the agreement with Labour. If they did not, then the deal would be off.
- (b) The relevant minimum wages notifications would either be amended to remove the clauses on variable dearness allowance, or if the Wage Board's final recommendations when accepted by the Government of India did not render the notifications infructuous, fresh notifications would issue excluding the provisions relating to variable dearness allowance but

leaving the notified minimum wages as laid down in 1959.

- (c) Exemption from payment of minimum bonus would be given under Section 36 of The Payment of Bonus Ordinance to gardens making losses or having insufficient allocable surplus.

Government objected to the inclusion of the question of minimum bonus in the negotiations. It was agreed, however, that if a suitable settlement could be reached between the industry and the labour arrangements would be made for the minimum wage notifications to be suitably modified. As regards the acceptance of the settlement by the Wage Board, the Board itself gave an assurance at a meeting held on the 29th July that if the West Bengal Unions agreed that the wage to be settled would a final one the Board not endeavour to amend it.

After further negotiations the industry's representatives at a meeting convened by the Deputy Labour Commissioner on the 20th August, 1965 made the following cash offer :—

Dooars & Terai— A rise of 20 paise in the cash wage with rice to sell at Rs. 70/- per quintal and wheat at Rs. 55/- per quintal.

Darjeeling – A rise of 20 paise in the cash wage and rice to sell at Rs. 70/- per quintal and wheat at Rs. 55/- per quintal.

The labour representatives were unable to accept the element of conversion included in the offer and the Deputy Labour Commissioner indicated that he would report to Government what had been said on both sides. It is understood that Government is proposing to impose a settlement on the Industry and that a revised notification will be issued early in 1966.

Standing Labour Committee for Tea Plantations in Assam.

The twenty-fourth session of the Standing Labour Committee for tea plantations in Assam was held in Shillong on the 27th September, 1965 and the Association was represented at the Conference by Mr. A. F. Macdonald, Mr. J. G. Ham., Mr. R. S. Sharma, Mr. P. Crombie, M.B.E., Mr. J. E. Atkins, Mr. S. Raha and Mr. G. T. Allen, M.C.

Very little of the official agenda was discussed at the meeting, which was attended by the Chief Minister and the Food Minister of the Government of Assam, but consideration was given to the arrangements necessary to overcome the difficulties arising out of the Emergency. The employers' as well as the employees' representatives stressed the serious problems arising from the failure of Government to supply the Industry with sufficient stocks of rice. Among other matters discussed were the shortage of working capital for tea companies, tea despatches, the improvement of the telephone communication system, civil defence, national savings, minimum wages in North Cachar and Mikir Hills, scouts and guides and the proposal to increase the rate of provident fund contributions from employers and workers from 6½% to 8% of earnings.

One-Man Committee on Employment in Plantations. At the meeting of the Industrial Committee on Plantations held in October, 1964 it had been agreed that a senior officer of the Ministry of Labour and Employment would constitute a one-man fact finding Committee to enquire into the allegation of intensification of work loads and related facts.

By a resolution dated the 11th December, 1964 Mr. N. N. Chatterjee, Joint Secretary, Ministry of Labour and Employment, was appointed the one-man Committee with the following terms of reference :—

- (i) To find out how and to what extent the vacancies that have arisen since 1959 due to natural wastage or otherwise have been filled.

- (iii) To find out whether there has been any increase in the ratio of employment of contract/temporary/ 'bigha' labour in plantations to permanent labour since 1959.
- (iii) To find out whether there has been a material change in the land-labour ratio since 1959 and if so, to what extent ?
- (iv) To find out by means of a sample survey or otherwise whether there has been any significant increase in the work-load of plantation workers since 1959, and to assess broadly the extent of such increase.
- (v) To find out whether there has been a sizeable reduction of employment in the plantation industry as a whole since 1959 and, if so, the reasons therefor.
- (vi) Any other related matters that the Committee may deem fit to consider.

In connection with his enquiry Mr. Chatterjee visited various tea estates in the Jorhat area as also estates in the Dooars, Terai and Darjeeling. He also held discussions with representatives of the Tea Producer Associations at Calcutta before and on return from his tour.

Two questionnaires were issued by the One-Man Committee one for completion by employers' and workers' Associations and the other for completion by representative tea estates to be selected by the Producer Associations.

The Association arranged for the completion of the tea estate questionnaire by a few tea estates in each area selected by the Branches. The employers' questionnaire was answered by the Association and a copy of the replies is reproduced in the appendices to this report.

The one-man Committee completed its report towards the end of the year ; and the Association received an advanced copy

without appendices. In the report the Committee brought out the following more important points in regard to employment of labour in tea plantations in North East India :—

- (a) That as far as the employment of contract labour in Assam is concerned the evidence is that contract labour is generally employed only when garden labour is insufficient.
- (b) The allegation that generally dependents of workers are not given preference in filling up vacancies is not borne out by the data collected by the Director, Labour Bureau for Assam, or by the figures obtained from twelve estates in North Bengal.
- (c) That in Assam the employment of outsiders appears to be a little more common because although there is an overall surplus of tea garden labour there are a number of North Bank gardens which from time to time experience shortage of labour and, plantation labour being notoriously immobile, outsiders have to be appointed.
- (d) That in the absence of any scheme of superannuation there cannot perhaps be any objection to the practice whereby an aged plantation worker is induced to retire and another member of the family is absorbed in his place on a regular or permanent basis.
- (e) On the question of the size and mobility of surplus labour the Committee confirms that the problem is much more acute in North-East Indian plantations than in South Indian plantations and that arising out of the fact that the vast majority of the workers in North-East Indian plantations have no homes other than the tea estates, one comes across great difficulty, mainly the lack of mobility of such labour.

- (f) On the subject of inter-garden recruitment of labour in Assam, it has been brought out that it has been the experience of the Special Employment Exchange at Dibrugarh that there is a general aversion on the part of tea garden labour to accept alternative employment.
- (g) On the subject of land-labour ratio it has been brought out that the Committee was unable to find any evidence that a fixed or rigid ratio was observed over a wide area at any one time; that the ratio differed from garden to garden depending upon each garden's requirements. It has further been observed that the trend towards casualisation has proceeded so far that a rational land-labour ratio on the basis of permanent strength alone cannot be laid down. Regarding the proposal as to whether there should or should not be a fixed land-labour ratio at least for a period of time—in the Questionnaire a five-year period was mentioned—it was observed that this was not really a matter for the Committee to deal with, as the Central Wage Boards for Tea, Coffee and Rubber had been asked to go into the matter.
- (h) On the subject of the employment of contract/temporary/bigha labour the Report states that it is nobody's case that the plantations should not, under any circumstances, employ contract, casual or temporary labour. Even the workers' organisations concede that for the construction of houses, road building and even for clearing jungle it is necessary to employ contract labour. It is also conceded that during the peak plucking season casual labour has to be engaged.
- (i) In Chapter XV, which is headed "Remedial Measures", it is recognised that there is little hope of

tea estates being able to offer additional employment in the future and plantations themselves cannot in future absorb the surplus labour growing in numbers year by year, especially in North-East India.

It has been observed that while something can and should be done, Government may not be able to direct much of the surplus labour in plantations to industries to be set up in the plantation areas and that cottage and small scale industries, poultry farming, etc., offer rather limited scope for employment.

Details of the Committee's findings and suggestions are reproduced in the appendices to this report.

Unemployment Insurance Scheme. - During the year the Department of Social Security, Government of India, formulated a scheme of insurance against the risk of loss of employment. The scheme, known as the Unemployment Insurance Scheme was briefly discussed at the 23rd session of the Indian Labour Conference held in New Delhi in October 1965 and will be further considered at the next meeting of the Standing Labour Committee.

The scheme subject to certain exceptions, is intended to apply compulsorily to all employees who are members of the Employees Provident Fund and the Coal Mines Provident Fund. The contingency to be covered is suspension of earnings due to a worker losing his job although he is capable of and available for work. Normally the benefit under the scheme will be paid only on termination of service on account of retrenchment as defined in the Industrial Disputes Act, 1947. The benefit will be calculated at the rate of 50% of the monthly average pay in the case of members of the Employees Provident Fund and 50% of the total emoluments in the case of members of the Coal Mines Provident Fund based on earnings of 12 completed months before termination of service. The period for

which the benefit may be paid is limited to six months or until the retrenched person is re-employed whichever is earlier. The benefits will be paid out of contributions to be made by employers and employees, the initial rate being 0.50% of wages

The proposed scheme was examined by the Consultative Committee of Plantation Associations at the request of the Tea Board, who were advised that the Industry was strongly opposed to the scheme for the following reasons :—

- (a) The scheme would impose an additional liability on tea estates which the tea industry as a labour intensive industry would find it difficult to bear.
- (b) The statutory compensation for retrenchment and lay off had been introduced precisely because no unemployment insurance scheme existed or was considered feasible.
- (c) It was unrealistic to introduce an Unemployment Insurance Scheme on the grounds that such schemes existed in other industrially advanced countries as conditions in those countries varied considerably from those in India and those countries had no schemes for the payment of retrenchment or lay-off compensation.
- (d) Retrenched employees might be encouraged to shirk obtaining employment within a period of six months from the date of retrenchment in order to obtain the benefit of full retrenchment compensation under the Industrial Disputes Act, to which under the proposed scheme they would only become entitled after the six months, during which they were receiving unemployment insurance benefits, had elapsed.
- (e) Employees on tea estates now had the benefits of the Provident Fund and would also be entitled to

bonus under the Payment of Bonus Act. They were therefore considerably better off than their counterparts in agriculture.

- (f) As the tea industry did not indulge in retrenchment tea estates would be paying contributions for the benefit of other industries.

The Payment of Bonus Ordinance 1965 and the Payment of Bonus Act 1965.— In last year's report it was recorded that the Sub-Committee which had been set up by the Standing Labour Committee to consider the draft Payment of Bonus Bill had been unable to arrive at any agreement and that it had therefore been decided that the Employers would submit their views on the Bonus Commission's formula to Government in writing.

The Industry's objections to a minimum bonus were reiterated in the representations made to Government by the Employers Federation of India as also at a meeting which the Chairman and the President of the United Planters Association of Southern India held with the Labour Minister on the 24th March, 1965. Government's attention was also drawn to the grave repercussions which the payment of bonus for 1962, 1963 and 1964 in a single lump sum would have on the finances of tea companies.

It was a matter of regret therefore to find that industry's views had not been considered when the Payment of Bonus Ordinance 1965 was promulgated by the Government of India at the end of May, 1965 and that the provision for the payment of a minimum bonus of Rs. 40 or 4% of earnings had been retained.

The Consultative Committee and the Constituent Associations issued Press Notes expressing their disappointment and concern that tea companies would be required under the Ordinance to pay bonus even in years of loss or marginal

profits. It was explained that minimum bonus would represent a direct increase in wages and would have grave repercussions particularly in Cachar, Darjeeling and Tripura. Unless the provision was set aside it was apprehended that the Industry would not be able to develop and expand production to the extent envisaged in the 5th Five Year Plan. In fact, in the labour intensive conditions of the Industry the payment of minimum bonus would constitute a heavy increase in ever rising production costs and might even result in the closure of estates.

On behalf of members of the Association and the Branches applications were submitted to the Assam and West Bengal Governments asking for exemption under Clause 36 of the Ordinance from the provisions of Clause 10 relating to the payment of minimum bonus when a company incurred a loss or where the allocable surplus was insufficient to cover such a payment. In August the Consultative Committee submitted a further representation to the State Governments asking that the estates should be permitted under Section 19 of the Ordinance, an extension of the period, within which bonus should be paid, from eight months to two years from the close of the accounting year.

The Payment of Bonus Ordinance was repealed by the Payment of Bonus Act, 1965 which received the assent of the President on the 25th September, 1965

As far as the Tea Industry is concerned the Act will only apply with effect from the accounting year 1964, and separate arrangements were made for the payment of bonus for 1962 and 1963 to which reference is made in another section of this report.

North East Indian Tea Plantations Bonus Agreement 1965.—
In last year's report it was recorded that as the labour were unwilling to extend the 1961 bonus agreement and wished the

whole matter to be considered *de novo*, it had been decided to make "on account" payments of bonus in respect of 1962

Following the appointment of Mr. I. B. Sanyal, the Regional Labour Commissioner (Central) as convenor of the Bonus Sub-Committee, a meeting of the Sub-Committee was convened for the 17th May, 1965. This meeting was attended by Mr. A. F. Macdonald and Mr. P. Crombie, M.B.E. At this meeting the labour representatives adhered to their demand for a minimum bonus of Rs. 40 while the employers' representatives offered to negotiate an agreement on the lines of the previous 1961 Bonus Agreement if the claim for minimum bonus was given up. As the INTUC representatives did not attend the meeting no agreement could be reached.

Mr. Sanyal relinquished his appointment as Regional Labour Commissioner (Central) in July and Mr. N. K. Chaddha, who had been appointed in his place, was appointed Convenor of the Bonus Sub-Committee. A meeting of the Sub-Committee, under the Chairmanship of Mr. Chaddha was held on the 31st August, 1965 and was attended by Mr. A. F. Macdonald and Mr. P. Crombie, M.B.E. As the Payment of Bonus Bill was pending before Parliament the labour representatives were not anxious to enter into any final agreement. The employers' representatives, therefore, offered to make "on account" payments of bonus for 1963 on same lines as in 1962. After considerable discussion the labour representatives pressed for an adjournment to the 11th September to consider the employers' offer. As the INTUC representative did not attend on the 11th September the meeting was postponed to the 13th September. At this meeting a letter from the Union representative from Assam was received indicating that the workers in Assam were not interested in an *ad hoc* agreement. The labour representatives from West Bengal stated that they also did not wish to enter into any *ad hoc* agreement. They left it, however, to the employers to pay *ex-gratia* whatever they wished to the workers before the Pujas. The

Association accordingly recommended the following ex-gratia payments on account of 1963 to be adjusted against future bonus payments :—

	Loss gardens	Inadequate profit gardens	Adequate profit gardens
	Rs.	Rs.	Rs.
(a) labour ...	10	20	40
(b) subordinate staff and monthly rated workers ...	15	25	45
(c) clerical and medical staff ...	25	35	65

A further meeting of the Bonus Sub-Committee was held on the 12th and 13th November, 1965 to discuss the payment of bonus for 1962 and 1963. It was agreed that the Payment of Bonus Act, which had now been passed by Parliament, did not apply to 1962 and 1963 in so far as the Tea Industry was concerned. The Act would apply in respect of the accounting year 1964. It was therefore necessary to devise an agreement to cover these two years which would avoid the mischief of Section 34(2) of the Payment of Bonus Act. The employers' representatives put forward a proposal, the basis of which was that bonus for the years 1962 and 1963 would be paid in accordance with the formula of the Payment of Bonus Act without the provision for minimum bonus, in place of which the employers would pay "hardship allowances"—ex-gratia and without prejudice to future payments of bonus.

The employers' proposals were accepted in principle and thereafter discussions continued on the quantum of the minimum payment. Agreement was finally reached that the minimum payment should be Rs. 25 or 4% of earnings whichever was more and it was left to the Senior Adviser to prepare a draft agreement for circulation to all members of the Sub-Committee

and for signature on the 29th November, when a further meeting of the Sub-Committee would be held.

The draft agreement called the North East Indian Tea Plantations Bonus Agreement, 1965, was circulated and after considerable discussion extending over two days—29th and 30th November—was signed by the representatives of employers and the Unions. A copy of the Agreement is reproduced in the appendices to this report.

The North East India Tea Plantations Bonus Agreement 1961.—

(a) *West Bengal Plantation Workers Bonus Fund.*—A meeting of the Board of Trustees of the West Bengal Plantation Workers Bonus Fund was held on the 12th August, 1965. At the meeting the financial position of the Fund was reviewed and it was decided that the Fund should be wound up; that the defaulting estates should only be allowed a further period of three months to file their claims; and that thereafter no further claims should be admitted. Estates, whose claims had been passed, were to be given three months in which to submit all the documents required to enable payment to be made, failing which their claims would also lapse. All estates concerned were therefore advised to submit their returns/claims/documents by the 30th November and such claims as have been received are now being processed.

(b) *Company Agency House Bonus Funds.*—At the meeting of the Bonus Sub-Committee held on the 31st August, 1965 it was decided that the Bonus Board should be reconstituted as follows :—

The Convenor of the Bonus Sub-Committee—*Chairman.*

Dr. Mrs. Maitreyee Bose.

Mr. Deven Sarkar.

Mr. G. C. Sarmah.

Mr. A. F. Macdonald.

Mr. S. N. Bose (I.T.P.A.)

Mr. H. P. Borooah.

It was also agreed that the Board as reconstituted should call for the accounts of all the Company Funds in Assam and Agency House Funds in West Bengal.

West Bengal Medical Advisory Board.—The West Bengal Medical Advisory Board was reconstituted by the Government of West Bengal in a notification dated the 21st June, 1965. The Chairman of the West Bengal Sub-Committee was nominated a member of the new Board.

One meeting of the Board was held on the 28th July, 1965 and was attended by Mr. D. B. Wallace, Mr. P. J. Parr and Dr. A. B. Chatterjee. The following main subjects were discussed at the meeting :—

- (a) *Dai Training Scheme at the Doshbandhu Dai Training Society, Darjeeling.*—It was agreed that employers should be encouraged to make use of the facilities available at this Training Centre.
- (b) *Bhatpara Central Hospital.*—The report of the Sub-Committee set up by the Board, to examine the application of the Bhatpara Hospital for recognition as a Group Hospital was considered. The application was rejected.
- (c) *Amendments to the Plantations Labour Rules.*—The Board gave preliminary consideration to a note by the Labour Officer (Plantations) Jalpaiguri in which various suggestions for amendments to the West Bengal Plantation Labour Rules were made.
It was decided to circulate copies of the note to members of the Board for comment.
- (d) *Appointment of Locum Doctors.*—It was agreed that the proposal that locum doctors should be appointed to tea estate hospitals and dispensaries during the absence of the permanent incumbent was impractical, because it would be virtually impossible for any tea estate to obtain the services of a suitable doctor in

the tea districts as a locum for the three weeks or so that the A.M.O. was away on leave.

Family Planning.— The Association's Family Planning Officer, Miss. S. Kalsi was transferred from Assam to West Bengal at the end of March, 1965. Her first assignment on arrival in the Dooars was to assist at the Family Planning Orientation Camp organised by the Chuapara Medical Association at the Central Hospital Bhatpara which was attended by the Director and Deputy Directors of Health of the Government of West Bengal and other officials. Thereafter she toured the various medical practices in the Dooars, meeting the labour and holding motivation discussions with a view to interesting them in Family Planning. From July to September Miss. Kalsi visited tea estates in Darjeeling and thereafter returned to the Dooars.

In April, 1965, it was agreed with the Division of Family Planning, Government of India, that the India Branch of the Ross Institute would receive all supplies of I.U.D.s from Government and distribute them to doctors on tea estates after a demonstration of the technique of insertion had been arranged for them. The first IUD's were sent out in May. By the end of December, 32 programmes were in operation on tea estates in Assam and 11 in West Bengal and 21,885 loops had been inserted.

A number of insertions were also done on tea estates in Darjeeling by a Government Family Planning Team.

A statement showing the number of IUD's inserted by the various Medical Associations during the year is reproduced in the Appendices to this report.

After consultation with the Family Planning Adviser the Association recommended that IUD leave should be treated as additional leave ; should be paid for at the normal minimum wage rate ; and should be granted as follows :—

- (a) In the following circumstances one day's leave should be granted, but additional leave may be given on the

recommendation of the Principal Medical Officer for special medical reasons in connection with the insertion/re-insertion/removal of the IUD but should not exceed two additional days :

First insertion of IUDs.

Re-insertion after involuntary expulsion.

Re-insertion after childbirth.

Removal of IUD if advised by the PMO for medical reasons.

Removal at the women's request because she wishes to have another baby, *provided* that at the time she has no more than two living children of whom at least one is a male

(b) Only one day's leave should be granted for

A check that the loop is in position. Leave will be granted only if the woman cannot attend the garden hospital outside working hours but has to come from an out-garden, so losing a day's work. Leave for checks for IUDs will be given only at one or two months after the insertion, at 12 months after the insertion and thereafter annually.

In view of the extension of the Family Planning programme to West Bengal it was necessary to revise the administrative arrangements for the control of programme. In consultation with the Family Planning Adviser, Dr. A. Gilroy, it was decided that the programme should be placed under the control of the Family Planning Sub-Committee of the Ross Institute which would consist of the following 5 members with power to co-opt Dr. A. Gilroy as and when necessary :

Chairman, Ross Institute (*Chairman*).

Chairman, Indian Tea Association.

Vice-Chairman—Indian Tea Association.

Chairman, West Bengal Sub-Committee.

The Representative of UPASI on the Committee of Control of the Ross Institute.

During the year the Tea Board sanctioned a grant of Rs. 26,065/64 towards the cost of the Family Planning Project for the year ended 31st March, 1965.

The Maternity Benefit Act 1961. (1) *Assam Amendments.*—In last year's report it was recorded that the Maternity Benefit (Assam Amendment) Bill, 1964 had been introduced in the Assam Assembly in order to rectify certain errors of omission, which had resulted from the amendments made by the Maternity Benefit (Assam Amendment) Act, 1963.

This Bill was passed into an Act and was published in a notification dated the 19th February, 1965. It has not yet been brought into force

(2) *Assam Rules.*—The draft of the Assam Maternity Benefit Rules, 1964 was published for comment in the Assam Gazette of the 28th April, 1965. After consultation with the Branch Associations it was suggested to Government :—

- (a) that the provisions authorising registered midwives to sign certificates in respect of miscarriage should be cancelled as it was considered that this was a responsibility which could only adequately be carried out by a registered medical practitioner.
- (b) that in the case of claims for maternity leave for illness, provision should be made for medical examination by the employer's own medical officer.

- (c) that the period for the payment of wages in respect of a miscarriage or leave for illness should be increased from 48 hours to seven days.
- (d) that in the list of acts constituting gross misconduct, assaults on superiors or co-workers should not be limited to those occurring at the place of work.

The final rules were published in the Assam Gazette of the 20th December, 1965.

(3) *West Bengal Rules*.—The West Bengal Maternity Benefit Rules, 1965 were published in the Calcutta Gazette of the 22nd July, 1965 and came into force on the 15th August, 1965.

Copies of the Rules were circulated to members in Circular Letter No. 103 dated the 23rd August, 1965.

Medical Services on tea estates.—Under the Plantation Labour Rules, tea gardens are required to submit periodical returns showing the progress being made by them in the matter of providing medical facilities to their staff and labour. The standards reached by members at the 31st December, 1964 are recorded for information.

		Members' Standards as at 31.12.64	Plantation Labour Rules Standards
(Per Thousand Workers)			
Hospital Beds	...	35.39	15.00
Doctors	...	1.33	0.57
Midwives	...	1.53	0.57
Nurses	...	1.99	1.43
Compounders	...	1.40	0.57
Anti-Malaria/Health Assistants		0.76	0.48

Labour Relations.— In 1965, 87 strikes were reported from member gardens as compared with 39 in 1964. In 80 of these instances the stoppage of work lasted not more than one day, while in 2 cases only the strikes continued for more than five days. The number of mandays lost increased from 83,981 in 1964 to 106,647. The loss of production was estimated at 297,353 kilograms of tea against a loss of 221,084 kilograms of tea in 1964. A brief analysis of the statistics in respect of each district is given in the following paragraphs, in which for the purposes of comparison the corresponding figures for 1964 are shown in brackets.

In the Assam Valley 24(9) strikes occurred, involving 13,149 (6,747) workers; 11,905 (6,818) mandays were lost with a loss in wages of Rs. 21,850 (Rs. 13,458). Production losses amounted to 63,785 (25,808) kilograms.

In Cachar there were no strikes in 1965.

In the Dooars there were 16(7) strikes involving 72,384 (32,834) workers. The number of mandays lost was 71,751 (32,714) and the wages lost amounted to Rs. 143,284 (Rs. 68,843). The loss in production amounted to 195,314 (132,954) kilograms.

In Darjeeling there were 46 (14) strikes. The number of workers involved totalled 21,840 (6,840). The number of mandays lost amounted to 22,457 (7,060) while the loss in wages was estimated at Rs. 36,762 (Rs. 11,833). The loss in production amounted to 34,654 (9,896) kilograms.

In the Terai 1(2) strike took place in 1965 involving 534 (389) workers. The number of mandays lost was 534 (389) and the wages lost amounted to Rs. 1,009 (Rs. 831). The loss in production amounted to 3,600 (2,426) kilograms.

Sick Leave for Workers. At the meeting of the Industrial Committee on Plantations held in October, 1964 it was agreed that the question of whether sick leave could be accumulated

should be considered by a tripartite committee. In March, 1965 the Government of India announced the setting up of a Sub-Committee consisting of two Government representatives, two employers' representatives, and two labour representatives. The Association was given one of the employers seats and Mr. P. J. Parr, the Calcutta Adviser was nominated to represent the Association.

The Sub-Committee held a meeting on the 22nd July, 1965 at New Delhi and drew up a report the main recommendations of which were :—

- (i) Accumulation of sick leave should be allowed upto a period of 30 days.
- (ii) In addition, the worker should be given the option that in event of illness, he could combine whatever balance of annual leave was standing at his credit, with the sick leave, either at the commencement or at the end of sick leave.
- (iii) The worker should, in addition, also be allowed to take up to 14 days' sick leave, admissible during the current year.

The maximum leave that a worker could be granted under this formula in the event of illness would be 74 days i.e. 30 days under (i) + 30 days under (ii) + 14 days under (iii).

The Sub-Committee report has been submitted to Government and will be considered at the next meeting of the Industrial Committee on Plantations.

Training of Dais in Darjeeling. The courses organised by the Deshbandhu Dai Training Society at Darjeeling continued to be held in 1965 and a number of tea garden nominees attended,

applications for admission being channelled through the Association and the Tea Board.

Labour Welfare: Assam.—(1) *Rowriah Welfare Training Centre.*—Three training courses were held during 1965 at the Rowriah Welfare Training Centre. Agency Houses were asked to provide twenty candidates for each course from the gardens under their control, 5 candidates being allocated to Proprietary interests in the membership of the Assam Branch.

(2) *Mazengah Training Centre for Women.*—Two courses were held at the Mazengah Training Centre during 1965 and Agency Houses were asked to provide sixteen candidates for each course from gardens under their control.

Supply of Firewood for Labour.—(1) *Assam.*—In last year's report it was recorded that no agreement could be reached at the meeting of the Assam Standing Labour Committee held in May 1964 on the question of whether firewood had to be issued or to be made available to workers and that it had therefore been decided to leave the problem for bipartite settlement.

In April, 1965 the Chairman of the Assam Branch met representatives of the Assam Cha Mazdoor Sangha when this matter among others was discussed with the Union and an agreement was reached in the following terms :—

1. The Union would accept uprooted tea, inclusive of all big roots, medium prunings, temporary shade, as firewood at site, on sample stacking, in the presence of the Estate's Union officials.
2. The Union would accept shade trees felled, and removed from the tea to the nearest roadside at management's cost and sample stacked in the presence of the estate's union officials. Estates which already stack as a practice may continue to do so.

3. The Union accept jungle trees, cut in situ at management's cost using the Forest Department's system of measurement, to define the quantity of fuel per tree, and allotment at a scale laid down by the Standing Labour Committee.
4. The Union agree that fuel for one year's rations may be made available during the cold weather months. If more than one year's ration of fuel is available, this quantity will have to be stored at management's convenience.
7. The foregoing Agreement will come into force as from 1st June, 1965.
6. Where deficiencies existed in the past, these will be decided on merit with due recognition to past practice.
7. As regards the question of distance, Union and Branch will review this matter before the next cold weather.

(2) *West Bengal*.—In last year's report it was recorded that in connection with the proposal to set up fuel baries on tea estates a memorandum had been submitted to the Forest Department of the Government of West Bengal in which Government was asked to give an assurance that fuel baries on tea estates' lands would not be taken over ; to arrange for the return of all tea garden forest lands taken over by Government ; to allow tea estates to work their own fuel baries and forest lots as they wished, provided that re-afforestation was undertaken ; to allocate fuel lots in accessible areas only.

A reply was received from the Forest Department in May, 1965 stating that fuel baries established on "retained lands" would not be affected by the West Bengal Private Forests Act ;

that representations for the return of forests taken over from tea estates should be referred to the Land and Land Revenue Department ; that as the planting of fuel baries was unlikely to be of immediate benefit the use of briquettes from saw dust, wooden chips etc. which were available in plenty should be considered ; that the Association should reconsider the proposal that firewood allotments should be on an Association basis.

Members were therefore advised in Circular Letter No. 77 dated the 31st May 1965 to undertake the planting of fuel trees wherever land was available within the "retained" areas. The Land and Land Revenue Department were requested to return the 12,000 acres of forest lands which had been taken over from tea estates. The Forest Department was advised that for reasons already explained the Association could not accept Government's proposal that firewood should be allocated on an Association basis. As far as the use of briquettes was concerned Government was asked to indicate the price at which these would be made available.

Provident Fund.— (1) *Assam.*—The Association continued to be represented on the Board of Trustees of the Assam Tea Plantations Provident Fund by the Shillong Adviser and Mr. G. A. Duncan. Two meetings of the Board were held : one on the 5th July, 1965 and the other on the 9th August, 1965. At the first meeting it was reported that the total contributions to the Provident Fund including bonus exceeded Rs. 32 crores and that payments totalled over Rs. 7 crores. Nearly 1.80 lakh members had taken policies for a total value of over Rs. 51 crores under the Life Insurance Scheme introduced in 1963.

The proposal to increase the rate of contribution from 6½% to 8% was considered at the meeting of the Assam Standing Labour Committee held on the 27th September when it was agreed that if the rate was increased the increase would not be imposed before the 1st January 1966 at the earliest.

(2) *West Bengal*.—By a notification dated the 6th January, 1965 the Government of India increased the rate of contribution to the Employees' Provident Fund in the case of tea plantations (other than those in Assam) from 6½% to 8% with effect from the 1st February, 1965.

Several amendments were made to the Scheme under the Employees Provident Fund Act, 1952 and copies were circulated to members concerned.

Certain tea estates reported that they had been called upon to pay damages for late payment of dues to the Provident Fund. It appeared that payments had been made by cheque within due date but owing to postal and other delays had not been credited to the Fund's account until after due date. These cases were discussed with the Regional Provident Fund Commissioner who confirmed that no damages were payable when the cheques reached the State Bank of India on or before due date, even if the cheques were only cleared after due date. Damages would however have to be paid in cases where the cheques reached the State Bank after due date for any reason whatsoever.

During the year the Regional Provident Fund Commissioner made enquiries regarding the membership of the Provident Fund of seasonal workers employed by tea estates. The Commissioner's attitude was that tea plantations were seasonal establishments and that a worker who had worked for not less than two thirds of the period during which leaf was plucked in a period of twelve months was entitled to membership of the Fund. The Association took the stand that tea estates remained open and offered employment throughout the year and that therefore only workers who had worked for not less than 240 days in the year were entitled to membership of the Fund. It is anticipated that this matter will come up for consideration by the Industrial Committee on Plantations in due course.

Industrial Disputes Act 1947. — The Industrial Disputes (Amendment) Act, 1964 came into force on the 19th December, 1964. The main features of this Act of interest to the Tea Industry were :—

- (a) *Arbitration.*—An arbitration award will be binding on all the workmen if arbitration was accepted at the instance of the majority of the workmen.
- (b) *Termination of award or settlement.*—A settlement or award cannot be terminated by a minority of the workmen.
- (c) *Definition of "Continuous Service" for the purposes of "retrenchment" and "lay off."*—A worker other than one employed underground in a mine will be deemed to be in "continuous service" for one year, if he has worked for 240 days during a period of 12 calendar months. He will be deemed to be in continuous service for six months if he has worked for 120 days in a period of 6 calendar months.

The Industrial Disputes (Amendment) Act, 1965 came into force on the 1st December, 1965. The main amendment introduced by this Act was the provision which allows an individual worker to raise a dispute over his discharge, dismissal or retrenchment.

Consumer price index numbers for Industrial Workers.—In January, 1965 the Director, Labour Bureau, Simla advised the Association that the Bureau was compiling index numbers for industrial workers in various tea plantation centres and intended utilising for this purpose the prices charged for rice and wheat-flour supplied to plantation workers at the tea estate godowns together with the open market prices for these commodities with appropriate weightage. This procedure it was explained had been decided upon because family living surveys conducted in 1958/59 in Assam and in more recent years in

North Bengal had shown that workers bought a high proportion of their rice in the open market.

The Association considered the Labour Bureau's procedure to be faulty because tea estates issued rations at the all-India scale of issue to all workers and their dependants at concession rates. There was, therefore, no need for the workers to purchase any of their family requirements from the open market. Furthermore, the majority of workers had paddy land allocated to them rent free or on a nominal licence fee by the management, from which they obtained rice, and they did not have any need to resort to purchases from the bazaar. Moreover, it was not correct to apply the proportion of rice obtained in a surplus year as between the company godown and other sources to the index of a lean year, because in the latter the tea garden worker would exercise his right to draw full rations at concession rates.

The Bureau was therefore urged in preparing its consumer price index numbers for plantation centres to take into account only the concession price at which the employers issue rice and atta to their workers. The Association has suggested this subject for discussion at the meeting of the Minimum Wages Central Advisory Board to be held in February, 1966.

Assam Minimum Wages Rules. The Assam Minimum Wages (Amendment) Rules, 1964 were published in the Assam Gazette of the 10th March, 1965

The main effects of the amendments made were—

- (a) A new Form III was prescribed for the submission of the annual return showing the deductions made from workers' wages ;
- (b) A worker is entitled to a day of rest if he has worked for a continuous period of not less than six days.

In calculating the continuous period, days of leave or holiday within the six days preceding the day of rest are to be considered as days worked ;

- (c) Rule 26 was revised to bring it into line with Part VI of Form IIIA (Abstract from Minimum Wages Act and Rules thereunder).
- (d) Under Rule 26C employers are permitted to use combined or alternative registers with the approval of the Labour Commissioner where such registers are sought to be used to avoid duplication of work arising from compliance with the provisions of any other Act.

West Bengal Plantation Labour Rules.— (1) *Amendments.*— Rules 75 and 76 of the West Bengal Plantation Labour Rules were amended by a notification dated the 10th March, 1965 issued by the Labour Department of the Government of West Bengal to provide respectively for the payment of sickness allowance at the rate of two thirds of the daily wage without the previous limitation of 75 paise per day and maternity benefits in accordance with the Maternity Benefit Act, 1961.

In a notification dated the 14th August 1965 the Government of West Bengal, Labour Department invited comments on its proposals to amend Rule 55 to allow a dismissed worker to retain his quarters when his case was referred to conciliation and Rule 75 to provide for the payment of sickness allowance at a minimum rate of Re. 1/- per day. The Association did not object to the amendment to Rule 55 but suggested in the case of Rule 75 that the minimum should be applicable in the case of adult workers only because the daily wage of a minor in the Dooars and Terai was Rs. 1.07 and in Darjeeling Rs. 0.87.

(2) *Drugs and Equipment for tea estate Hospitals and Dispensaries.*—In a Notification No. 687/LW LW/5M-11/63 dated the 1st June, 1964 the Government of West Bengal published a list of the equipment and drugs which tea estate hospitals and dispensaries would have to maintain under the provisions of the West Bengal Plantation Labour Rules. Copies of this notification were issued to members in

West Bengal in Circular Letter No. 19 dated the 8th February, 1965.

Protective Clothing.—(1) *Assam.*—In a notification dated the 21st October, 1964 issued by the Labour Department of the Government of Assam under the Assam Plantations Labour Rules it was provided that employers should supply each worker free of cost once every year : —

- (a) A Jhapi or Umbrella.
- (b) A waterproof apron.
- (c) A blanket.

The Consultative Committee protested against the imposition of additional burdens on the tea industry and suggested that the life of plucking aprons should be fixed at two years and that the issue of blankets should be withdrawn as they would not be required for day time work in the plains. This matter was discussed at the meeting of the Assam Standing Labour Committee held in December, 1964 when it was agreed that arrangements should be made for the issue of jhapis and aprons to workers at the commencement of the 1965 season. The issue of blankets would be withheld until further discussions with the Unions. The Association accordingly recommended to members that aprons should be of waterproofed cloth ; that they should be shaped with eye holes according to a pattern approved by the Assam Branch ; and that they should be not less than 36" long and 34" wide.

Towards the end of the year there was some pressure on managers to issue blankets to the workers and Government was asked to arrange for the matter to be discussed at the next meeting of the Assam Standing Labour Committee.

(2) *West Bengal.*—In a notification dated 13th May, 1965 issued by the Government of West Bengal under the West Bengal

Plantations Labour Rules it was provided that employers should supply each worker free of cost, every two years :

- (a) an umbrella or jhapi.
- (b) a waterproof apron.
- (c) a woollen jersey with full sleeves or a blanket.

The Association recommended that aprons should consist of a piece of canvas approximately 36" × 34½" without eyelets. Samples of canvas sent to the Association by various suppliers were submitted to the Chief Inspector of Plantations for approval and the approved samples were circulated to members.

It was recommended that Field Supervisory staff should be provided with umbrellas and other workers with jhapis or ghooms.

Jerseys of a quality approved by the Chief Inspector of Plantations were recommended for issue to workers in Darjeeling. Government was asked by the Consultative Committee of Plantation Associations to issue a notification making it clear that jerseys or blankets should only be supplied to workers in the hill areas as these items, which were intended to provide protection to workers while at work, could not conceivably be required by workers in the plains during the day time.

Independence Day 1965. As Independence Day 1965 fell on a Sunday the Association recommended that daily rated workers, who normally observe Sunday as the weekly day of rest, should be granted an additional day's pay for the Sunday holiday as, owing to it being the height of the plucking season, it would not be possible to grant the workers an alternative holiday either the day before or the day after the 15th August, 1965.

In the case of monthly rated employees it was recommended that such employees should be given one day's leave

with pay on any day convenient to the management before the end of 1965.

Temporary Lay-Off and Retrenchment in Cachar.— In the Association's report for 1960 it was recorded that the Cachar Cha Sramik Union had appealed to the Supreme Court against the award of the Industrial Tribunal which had held that the tea estates concerned in Cachar had been justified in the action they had taken to lay off and retrench staff during 1952 and that no compensation need be paid.

The Union's appeal came up for hearing on the 14th and 15th October, 1965 and was dismissed in a judgment given by the Supreme Court on the 26th October, 1965.

Workers' Participation in Management. Joint Councils of Management had been set up on the Panitola and Sonabheel Tea Estates in Assam in 1958. During the year the Assam Branch came under pressure from the Assam Government to extend the Scheme and it was decided that efforts should be made to establish joint councils on four other estates so that there would be two councils in each Zone. By the end of the year councils were established on the Naganijan and Attareekhat tea estates.

Discussions at meetings of the various councils, were concerned very largely with welfare measures, with the upkeep of housing and roads and with arrangements which would be to the convenience and comfort of the workers. The meetings also afforded the management some opportunity of explaining to the Workers' representatives the economic circumstances of the Industry and the cultivation and development programmes of their estates.

Clerical and Medical Staff. (1) *Dearness Allowance for staff and artisans in Assam.*—Since 1959, dearness allowance for staff and artisans has been related to the cost of living

indices maintained by the Government of Assam. When the dearness allowance was last increased in 1962 it was agreed that there would be no further change until the cost of living index rose above 124 or fell below 112 for a continuous period of six months.

On the 1st November, 1964, the cost of living indices for the previous six months had been above 124 and consequently, in terms of the 1962 agreement, a further change in dearness allowance was permissible. Confirmation of the index figures became known in June, 1965 but at that time it was hoped that the Wage Board would be making its final recommendations with regard to a revision of staff and artisans' salaries, which would cover the 1964 alteration in the indices. The Wage Board did not, however, reach a settlement and on the 27th September, 1965 an agreement was reached between representatives of the A.C.K.S. and of the Association and the Assam Branch that with retrospective effect from the 1st November, 1964 dearness allowance for staff, including medical staff, and artisans would be increased as follows :—

6% of basic pay subject to a minimum increase of Rs. 8 or 10% of basic pay whichever is less.

(2) *Bonus dispute in Assam.*—In 1957 the Association had advised members that labour bonus payable under the Delhi Agreement was a prior charge and took precedence over bonus for clerical and subordinate staff and other monthly rated workers. As bonus for staff in the years 1954/58 was related to the profit in the years concerned, the Assam Cha Karmachari Sangha disputed the Association's advice and the dispute was referred to a tribunal in a notification dated the 2nd March, 1962. The tribunal's award, which was published in the Assam Gazette of the 23rd June, 1965, was in favour of the Union but the Association agreed that the Assam Branch

should appeal against the award. An appeal under Article 226 of the Constitution was accordingly lodged and the Assam High Court issued a rule on the 23rd July, 1965 staying the award.

(3) *Retiral benefits for Staff in Assam.*—Last year, in response to a request by the Assam Chah Karmachari Sangha for the introduction of a retirement scheme for staff, the Assam Branch had offered to introduce the Dooars minimum retiral benefit scheme in Assam. This Scheme was not acceptable to the ACKS which suggested that retirement benefits should be not less than 15 months final wages, wages being the emoluments on which Provident Fund deductions were made; that proportionate gratuities should be given for premature retirement; that in the case of death, pensions or gratuities should be paid to the widows. The Association was unable to accept the Unions proposals and advised the Branch to adhere to the original offer.

(4) *Supply of Electricity for lighting of staff quarters.*—With the extension of the grid supply of electricity to the tea districts in Assam, consideration was given to the question of electricity to be supplied for lighting to staff quarters, which were at present being supplied through the estate's own generators. The following recommendations of the Technical Sub-Committee of the Assam Branch were approved :—

- (i) that in respect of D.C. supply existing practices should remain unaltered. To enable control to be exercised over the use of heaters, cookers, etc. 1 amp or 2 amp fuses should be installed in the circuit depending on the supply voltage ;
- (ii) that in the case of A.C. supply a maximum load of 230 watts should be fixed for all staff quarters,

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control being effected by the installation of 1 amp fuses ;

- (iii) that in cases where estates were prepared to instal meters in all the quarters a maximum free allowance of 20 units per month for junior staff quarters and 30 units per month for senior staff quarters might be adopted ;
- (iv) that where supply was metered electricity duty should be recovered in respect of all the electricity consumed.

LAND MATTERS

Assam Land (Requisition and Acquisition) Rules, 1964.—

In a notification dated 11th December, 1964 the Government of Assam published rules covering the procedure for land requisition and acquisition. Under these rules, before a requisition order is issued for the requisition of land for landless or displaced persons the owners of the land must be informed and the owners must make a representation within 15 days if they object to the requisition.

As this procedure appeared to bypass the arrangements previously made by the Government of Assam that cases of requisition of tea garden lands would be referred to the District Land Advisory Committees on which Circle Chairmen would be co-opted as members, the Association asked the Government of Assam, Revenue Department to confirm that the procedure contemplated in the Rules did not abrogate the undertakings previously given regarding consideration by the Land Advisory Committees. Government was also asked to allow tea estates a period of 2 months in which to submit their objections to any proposed requisition orders. Government's reactions to these proposals are still awaited.

West Bengal Estates Acquisition Act and Rules. — (1) *The Act*.—

No amendments were made to the West Bengal Estates Acquisition Act during the year under review.

(2) *The Rules*.—A number of notifications were issued during the year by the Government of West Bengal amending the West Bengal Estates Acquisition Rules 1954 and these notifications were circulated to members for information.

(3) *Cardamom Lands*.—In last year's report it was recorded that the Government of West Bengal had agreed to allow tea estates to retain cardamon lands within their res-

pective areas subject to the conditions that the estates did not realise licence fees from the licencees in excess of twenty-five per cent over the rent of Rs. 15 per acre payable by them as lessees.

In the past, in many cases, tea estates did not charge their workers any rent for the lands allotted to them for the cultivation of cardamom and some only charged nominal licence fees. In view of the high rent imposed by the Government of West Bengal, estates were compelled to charge licence fees, in cases where they were not previously charged, or to increase them, with resulting hardship to the workers concerned. The Association, therefore, requested Government to fix a lower rental for lands under cardamom cultivation but unfortunately Government regretted its inability to accede to this request.

In the Gazette of India Extraordinary of the 11th May, 1965 the Government of India published the Cardamom Bill, 1965. Although in the Statement of Objects and Reasons attached to the Bill only Kerala, Mysore and Madras were mentioned the Association asked the Tea Board to confirm, in view of the pockets of cardamom on estates in Darjeeling, that lands comprising a tea estate would not fall within the purview of the proposed legislation. It was later learnt that the Cardamom Act would only apply to "the plant of *Elettaria Cardamon Maton*." The variety of cardamom cultivated on tea estates in Darjeeling was '*Amomum Cardamom*.'

SUPPLIES & TRANSPORT

Food Supplies : 1965.— Steel Brothers & Co., Ltd. continued to act as the Association's Agents for the procurement of foodgrains for tea gardens in West Bengal and Assam, and during the foodgrains year ended 31st October, 1965 they delivered 76,000 tonnes of grain to tea estates as follows :—

	<i>Rice</i>	<i>Wheat</i>
Assam	20,000 tonnes	21,000 tonnes
West Bengal	16,000 tonnes	19,000 tonnes

Assam Valley.— In the areas of the Assam Valley supplied through Steel Brothers & Co., Ltd., the opening stocks of rice were 29,728 quintals as compared with 24,836 quintals on the corresponding date in the previous year. In addition, 20,035 quintals of wheat were held in stock.

1965 proved to be the most difficult year for rice procurement since 1951. Although the crop was reasonably good, monopoly procurement by the Assam Co-operative Apex Society was not successful, and allocations from Government tended to be too little and too late, with the result that at no time during the year were the rice stocks on tea estates adequate for safety ; and in the monsoon, stocks declined to the unprecedented low figure of 265 tonnes—barely half a week's requirements. Large consignments of paddy and rice had to be motored at great expense from distant parts, notably Lower Assam to Zones 1 and 2 in order to prevent a complete breakdown.

The rice element in the ration was reduced from 50% to 25% in September, while wheat was correspondingly increased. Rice issues amounted to 2,05,570 quintals compared with

2,21,935 quintals in the previous year in Circles supplied by Steel Brothers ; and were marginally higher in the self-procuring Circles at 33,770 quintals.

The wheat supply position was very poor at the beginning of the Kharif year, due to unprecedented demand caused by failure of the indigenous wheat crop in 1964. However, as the year advanced the situation improved. In the whole Branch area wheat issues increased from 1,50,217 quintals to 2,15,695 quintals due principally to the wheat content of the ration being increased from 50% to 75% in September, 1965.

West Bengal— All supplies of rice were allotted by the Government of West Bengal and Steel Brothers & Co., Ltd were not permitted to buy in Orissa as hitherto. The Government procurement scheme was only partially successful, and there was considerable delay in making allocations. These were spread over several districts of West Bengal and also Orissa. Shortfalls in all areas were heavy, and no supplies of rice could be obtained at all from June to October. Fortunately the year started with substantial stocks laid in in 1964. The rice content of the ration was reduced to 1 kg. per week per adult in October but even at this level it remained difficult to keep pace with requirements.

The Government of West Bengal permitted Steel Brothers & Co., Ltd., to buy freely from Nepal. It was not, however, possible to make much headway in the face of competition from Bihar traders, who soon put the price up to uneconomic levels. In consequence only 1,400 tonnes were procured from this source.

Wheat was in short supply in the early part of the year but the situation gradually improved.

Cachar.— In Cachar the foodgrains supply position was reasonably satisfactory, except for a brief period in September when stocks had been exhausted, but the timely arrivals of

supplies relieved the pressure. Ultimately surplus rice was sent to the Assam Valley. Issues during the year amounted to 18,164 quintals of rice and 19,732 quintals of atta.

Rice Ration in West Bengal. In a letter dated the 16th July, 1965 the Deputy Director of Supply, Government of West Bengal instructed the Association to ensure that rice received from Government stocks was not issued by tea estates at a rate exceeding 1 kg. per adult and $\frac{1}{2}$ kg. per child per week.

As rations were being issued on the scale of approximately 1.65 kg. of rice and 1.65 kg. of wheat per adult worker per week, 1.25 kg. of rice and 1.25 kg. of wheat per non-working dependant and .6 kg. of rice and .6 kg. of wheat per child, the Food Department's order involved a reduction in the quantity of the rice ration. Apprehending that such a reduction might lead to labour trouble the Association asked the Labour Department to intervene and to persuade the Food Department not to enforce their order.

At a meeting held on the 29th September, 1965, at which the Unions were represented, the Labour Secretary advised that the Food Department had indicated that they were not in a position to supply the quantity of rice necessary to maintain the industry's rice ration to the end of the year and that there was no alternative therefore but to reduce the rice ration as already announced and to make up the difference by an increase in the wheat/atta ration.

It was agreed that the reduction in the rice ration should be imposed after the Pujas. In spite of the fact that the Unions were represented on the discussions there was agitation in the Eastern Dooars when estates attempted to issue rice at the reduced rate and when the matter was referred to the Deputy Commissioner, Jalpaiguri, he ordered the reduction to be post-

poned for one week as he apprehended that otherwise there would be danger to law and order. The reduced ration was eventually issued with effect from the 25th October, 1965.

Tea Chests. — (1) *I. S. I. Specifications*—The following standard sizes of tea chests were prescribed in the Indian Standard Institution's revised specifications for tea chests No. IS : 10 : 1964, which were brought into force on the 7th January, 1965 :—

48 × 48 × 60 cm.

48 × 48 × 56 cm.

46 × 46 × 50 cm.

44 × 44 × 48 cm.

40 × 40 × 40 cm.

40 × 40 × 45 cm.

Members were advised to quote these standard sizes in placing their orders for tea chests for 1966 and to utilise before the end of 1965 all their stocks of chests conforming to the previous ISI specification No. IS : 10 : 1953, which would only remain in force concurrently with the new specifications until the 31st December, 1965.

Owing to the shortfall in the 1965 crops member estates reported that they had not been able to exhaust all their stocks of tea chests conforming to I.S.I. specification No. IS:10:1953. The Association, therefore, asked the Tea Board to request the Indian Standards Institution to allow ISI specification No. IS:10:1953 to remain in force for a further period of one year.

(2) *Tea Chest Fittings*.—The increases imposed by the Central Government's 1965 budget in the rates of import and excise duties on tinplate, paper, wire nails and packing materials resulted in the price of tea chest fittings being increased by 40 paise per set.

In March, 1965 manufacturers of tea chest fittings were advised that they would have to import 50 per cent of their requirements of tinsplate waste waste from rupee payment areas.

As the only tinsplate available from the rupee payment area was electrolytic tinsplate prime, which was normally used for food packing purposes and was therefore more expensive than tinsplate waste waste obtainable from General Currency areas, manufacturers anticipated that the price of fittings would increase by a further 60 paise per set. The Association drew this matter to the attention of the Tea Board and asked that representations should be made to Government to withdraw the stipulation requiring tinsplate waste waste to be imported from rupee payment areas. The Tea Board, in due course, advised that Government had been asked not to make any allotments of foreign exchange for the import of tinsplate waste waste from rupee payment countries in future but that owing to the acute shortage of foreign exchange it was not possible to avoid importing a part of the requirements of tinsplate waste waste from these countries during the licensing period October 1964/March, 1965. In November, 1965 the Calcutta Tea Chest Fittings Manufacturers Association reported that their members had only received licences to the extent of 75% of their allotted quotas for the six months October 1964/March 1965 which would cover only 34% of the industry's requirements of fittings for 1966. The Tea Board was asked to look into the matter and expedite the issue of licences for the remainder of the Industry's requirements.

In May, 1965 the Association received a Circular from the Tea Board in which it was stated that the Chairman of the Board had during his visit to Germany noticed that tea chests from India had opened up because the nails had come out. The Board suggested that the nails came out because sub-standard metal fittings had been used.

The Board's complaint was referred to members who reported that the metal fittings available in India were of a satisfactory quality but that it was possibly the nails supplied by Indian Steel & Wire Products Ltd. Jamshedpur which were defective. It was, therefore, suggested to the Tea Board that this firm should be asked to improve the quality of its wire nails of size 1" x 14G supplied to manufacturers of tea chest fittings.

(3) *Packing Specifications.*—Towards the end of the year the Association learnt from a circular issued by the Calcutta Tea Merchants Association that the railway authorities were apparently considering the desirability of tea chests being covered with hessian cloth to prevent losses of tea while in transit by rail.

As tea chests were made up of panels etc. constructed to ISI specifications and were therefore sufficiently robust to withstand all normal handling, it was considered that the railway's proposal was completely unwarranted. The Association therefore referred the matter to the Tea Board suggesting that the railways should be persuaded to drop their proposal because packing costs were already high enough.

If the railway were concerned regarding the increase in the incidence of pilferage of tea they should take adequate steps to prevent such pilferage rather than propose that tea chests should be covered with hessian cloth merely to make pilferage more difficult.

Coal Supplies.—The coal requirements of member gardens in North Bengal, Cachar and the Assam Valley for 1965 were as follows :—

North Bengal (Dooars, Terai, and Darjeeling)	...	61,950.00 tonnes
Cachar	...	11,961.00 tonnes
Assam Valley	...	69,846.00 tonnes

Coal for North Bengal gardens were transported by two separate routes, the Indo-Pak route via Haldibari and the all-India route via Farakka. During the year no supplies were made either by road or by the river-cum-rail route via Dhubri.

The season commenced with sufficient stocks of coal on gardens. The position, however, began to deteriorate from the month of January, 1965 when the wagons allotted to the Association were far below the monthly requirement. The allotments for the months January to August, 1965 were as follows :

	<i>*Requirement</i>	<i>Allotment</i>
January	... 200 wagons.	161 wagons.
February	... 226	157
March	... 327	145
April	... 404	128
May	... 578	159
June	... 522	251
July	... 588	146
August	... 618	265

*(Includes month by month shortfall)

Great difficulty was experienced in sending supplies to gardens in the Dooars which were situated East of Siliguri owing to the non-availability of movement on the metre gauge line. The position became critical when in the month of May, 1965 the Railways decided to decrease the movement of supplies by the metre gauge line for gardens in the Dooars and insisted on movement by the broad gauge line which had been recently constructed. The Association resisted this change in the arrangements of supply as the new broad gauge stations had no unloading facilities, no proper approach roads or telephones and the distances from the gardens were considerably greater. The Railways, however, continued to reduce the movement by the metre gauge line and by the end of August, 1965 there was a total shortfall of approximately 400 wagons.

The position deteriorated further during the emergency in September, 1965. Movement by the Indo-Pak route ceased and supplies could be moved only by the all-India route via Farakka. In the month of November, 1965 the position improved somewhat when the Association was allotted more wagons for movement by the metre gauge line.

Steel Brothers & Co., Ltd. continued to handle the task of inspection of coal consignments at the transshipment point at New Jalpaiguri and to report on the quality on the Association's behalf.

Cachar gardens' requirements continued to be met from Assam collieries, but as in the previous year arrangements had to be made for the supply of Bengal coal for manufacturing requirements.

In May, 1965 the Railway authorities gave notice to W. J. Molesworth & Co. to vacate the coal dumps at the Silchar railway siding by the 1st July, 1965. However, with the intervention of the Surma Valley Branch and the Shillong Adviser the Railways eventually agreed to lease out to W. J. Molesworth & Co. an alternative plot of land which is adjacent to the present site of the coal dump.

As regards the Assam Valley, allocations from Assam Collieries were fixed as follows :

	<i>Tea Manufacture</i>	<i>Domestic/ Hospital</i>	<i>Brick Burning</i>
	Tonnes	Tonnes	Tonnes
Ledo	29,211	13,322	—
Koilajan	1,414	1,058	—
Sheelvata	2,092	437	—
Nazira	594	856	—
Khasi	14,680	932	5,353
Jeypore	—	843	—
Bhutan	—	—	201
Total	47,991	17,448	5,554

Numerous complaints have been received from members in Assam regarding the substantial shortages occurring in consignments of coal despatched to them by rail. The shortages occurred mainly in despatches from the Sheelvata Colliery. The matter was taken up with the N. F. Railway who informed the Association that instructions had been issued to keep a watch over the movement of coal traffic and that necessary steps for exercising checks at certain points had been taken in order to prevent pilferage of coal consignments in transit.

At the time of writing this report the Deputy Assistant Coal Controller, Assam has revised the procedure for the issue of sanctions for coal supplies to gardens in Assam. With effect from 1st January, 1966 sanctions will now be issued on a monthly basis, allotments being evenly distributed over a period of 12 months. Sanctions will be valid only for one month and if not utilised within the validity period will not be revalidated. This means that gardens will forfeit the allotments covered by sanctions which have expired. Under this new procedure the following difficulties are envisaged :

- (1) If coal is allotted month by month, many estates will have transportation difficulties due to :—
 - (a) Vehicles not being available for coal haulage during the peak manufacturing season.
 - (b) Road surfaces will be in a poor condition during the monsoon.
- (2) In cases where trains are held up or roads are breached during the monsoon tea garden factories would find it extremely difficult to continue under a 'hand to mouth' system.

The Association is representing the matter to the Tea Board.

Iron & Steel.—There was no improvement in the supply position for iron and steel during the year. As in the previous year, owing to large outstanding orders with the producers against allotments made in earlier periods, no allocations were made by the Iron and Steel Controller of galvanised corrugated and plain sheets (above 14 gauge) on account of 1965/66 and quota certificates were therefore not issued to tea estates against their demands for these categories during the year.

Cement Supplies.— During the year 1965 the supply of cement to tea estates in North East India continued to be under the control of the Regional Cement Officer, State Trading Corporation of India Ltd. who allotted permits on the basis of applications submitted through the Tea Board.

The quantities of indigenous cement allotted to the industry during the year were equivalent to approximately 77 per cent of the total demand of the industry, as compared to 55 per cent allotted in the previous year. The total tonnage of cement allotted for the various periods against the demands submitted was as follows :—

	<i>Demand</i>	<i>Allotment</i>
Period I	10,688.800 tonnes.	7,001.876 tonnes.
Period II	9,942.800 ..	7,560.901 ..
Period III	9,728.060 ..	8,510.594 ..
Period IV	9,248.760 ..	7,341.665 ..
Total :	39,608.420 tonnes.	30,415.036 tonnes.

There has been a gradual decrease in the demand of cement by tea estates mainly because estates have had to curtail their building programmes for want of other building materials such as galvanised corrugated and plain sheets. During the year a quantity of approximately 3,000 tonnes of cement was surrendered by estates.

Apart from the late execution of cement orders by some of the suppliers, movement throughout the year was satisfactory. The Association continued to club allotments of less than a wagon load and this procedure worked satisfactorily.

Steel Brothers & Co., Ltd. continued to handle supplies for gardens in Darjeeling and the clubbed consignments of estates in the Dooars.

Government of India have announced that with effect from the 1st January, 1966 all Central and State control on cement will be withdrawn and consequently the system of allocation by the State Trading Corporation of India Ltd. will cease. The cement manufacturers, however, have established a Cement Allocation and Co-ordinating Organisation to take over the distribution of cement all over the country. As far as the tea industry is concerned it is proposed that indents for cement should be passed on to the Organisation by the Producer Associations through the Tea Board.

Fertilisers.—The requirements of Sulphate of Ammonia of the tea industry in North East India for the year 1965/66 were estimated by the Tea Board at 1,20,000 tonnes. The Government of India, Ministry of Food and Agriculture, however, only allotted a quantity of 92,500 tonnes against this demand.

No allotments were made against this quota during the quarter April/June, 1965. In the quarter July/September a quantity of 37,000 tonnes, equivalent to approximately 40% of the quota was released. As it was apprehended that transport difficulties might prevent the fertilisers from reaching estates in time the Association asked the Ministry of Food and Agriculture, Government of India to release the balance of the quota during the quarter October/December, 1965. Government in reply advised that owing to the limited availability of nitrogenous fertilisers it was not possible to accede to the Association's request. Government agreed, however, to release a further

35,000 tonnes for the quarter October/December, 1965, leaving the balance for release in the quarter January/March, 1966.

By the end of July, 1965 only 11,000 tonnes of tea estates' requirements of fertilisers had been despatched to the estates and the Association recommended to members that they should place their orders for fertilisers as early as possible because if despatches were left till late it might not be possible owing to railway restrictions to obtain all the wagons needed, especially in January/February when the demands for wagons normally reach their peak. By the end of the year while some members reported that they had received all their requirements of Sulphate of Ammonia, others indicated that substantial portions of their orders remained outstanding with their suppliers owing to a shortage of transport. The Tea Board was asked to look into the matter.

The supply position in respect of superphosphates was very unsatisfactory and at the end of the year manufacturers had only supplied 25% of the North East Indian Tea Industry's requirements, which were estimated at 16,000 tonnes. The Tea Board's assistance was requested to obtain the release of the balance.

The maximum prices to be charged for Sulphate of Ammonia supplied to tea plantations were revised with effect from the 1st September, 1965 as follows :—

- (i) when packed in 100 kg. bags Rs. 374.60 per tonne
- (ii) when packed in 50 kg. bags Rs. 385.60 per tonne.

Pesticides for the Tea Industry.— Following the decision of the Government of India to exempt a large number of pesticides from import duty in order to popularise the use of pesticides, the Association suggested to the Tea Board that a representation should be made to Government asking for

exemption from import duty on Tedion V18 and Kelthane, which were used to control Red Spider and Scarlet Mite. The Tea Board have taken the matter up with Government whose decision is still awaited.

Import of Machinery and Spare Parts.— In last year's report it was recorded that as the system of importing machinery and spare parts against actual users' licences was not altogether satisfactory from the Industry's point of view the Association was examining a scheme under which established importers would be allowed to import and stock spare parts for tea machinery instead of the companies carrying stocks, as at present.

After consideration it was decided that the scheme should be limited to spare parts for prime movers only and in due course the following proposals were put forward to the Tea Board :—

- (a) Agents for prime movers used in tea estates should be allowed import licences to enable them to hold "minimum" stocks of the full range of spare parts for their machines ;
- (b) Tea estates should be granted actual users' licences and at the same time be allowed to draw the parts required from the Agents' "minimum" stocks. The tea estates should be allowed to transfer the actual users' licence to the agent who would utilise it to restore his "minimum" stock. The Agent would be required to submit periodical returns to the Tea Board showing his stock position.

It is regretted that the Tea Board rejected the scheme on the grounds that too many complications were involved and that in view of the acute foreign exchange position it was inappropriate to alter the present system of imports.

Electricity Supply in Assam.— (1) *Assam State Electricity Council.*—The Association is represented on the Assam State Electricity Consultative Council by the Shillong Adviser. Two meetings of the Council were held during the year at which the progress of the major projects for the supply of electricity to Assam were kept under review.

By the end of the year the Assam State Electricity Board had commissioned the Umiyam Hydro Electric Project at Barapani. The Umtru Hydro Electric Project at Umtru, The Gauhati Thermal Project at Gauhati and The Nabarkatiya Thermal Project at Namrup.

(2) *Tariff rates and conditions for the supply of Electricity*—In last year's report details were given of the protracted negotiations with the Assam State Electricity Board which had taken place in connection with the Board's tariff rates and conditions for supply and it was recorded that a comprehensive letter had been issued to the Board asking for confirmation on all the various points on which agreement had been reached. A reply to this letter was received in March, 1965 which confirmed the following main points :—

- (a) *Submission of Applications in Form 25.*—The Board confirmed that estates should first make provisional applications which would have to be followed up by the submission of Form 25 in which details of initial and final load would have to be given.
- (b) *Promotional Tariff.*—The Board confirmed that the Promotional Tariff would remain unchanged for a period of five years in respect of all those who paid the minimum demand charge as at 31st December 1965 or from the date they were brought on to the Grid. The minimum demand charge would be levied on the basis of consumption over a period of 12 months from the date of connection, which would be notified to the estates on their paying the initial deposit.

- (c) *Cost of the 11 KV Transmission Lines.*—The Board advised that the cost of the 11 KV transmission lines would be calculated on the basis of the estimated cost of material and labour plus 15% departmental charges on the total cost as laid down in Schedule X of the Board's Schedule of Tariff. Estates which opted for the monthly rental basis of payment would have to make the monthly payments for so long as the connection was provided.

Members were advised of the Board's decisions on these various matters and asked to submit their applications for supply to the Board if they were interested.

(3) *The Assam Electricity Duty Act, 1964.*—The Assam Electricity Duty Act, 1964 was published in the Assam Gazette Extraordinary of the 30th December, 1964 and was brought into force from the 1st April, 1965. The Assam Electricity Duty Rules were published in the Assam Gazette of the 28th April, 1965.

Under the Act and Rules any person generating electricity for his own use or consumption is required to pay electricity duty at 2 paise per unit of energy. Where energy is used exclusively for industrial production the following exemptions are allowed :—

<i>Quantum of energy consumed per month</i>	<i>Extent of exemption.</i>
1. For the first 15,000 units	One paise per unit.
2. For the next 25,000 units	One and half paise per unit.
3. For the rest of the units	Full exemption.

Members generating A. C. electricity were advised to instal meters immediately, to keep records of their consumption and to pay duty as prescribed.

As D. C. meters are not available members generating D. C. electricity were advised to await the results of a reference which had been made to the Government of Assam in which it was suggested that duty should be charged by making an assessment based on 75% of the rated capacity of the largest generator in use with a 25% load factor constant throughout the year. Government was also asked to exempt from duty energy generated by plant below a capacity of 3 KW.

Electricity Supply in North Bengal.—(1) *West Bengal State Electricity Council.*—Sir Richard Duckworth, Bt. continued to represent the Association on the West Bengal State Electricity Council during the year.

Four meetings were held during the year at which the progress of the Jaldhaka Hydro-Electric Project was reviewed. It is expected that grid power will be available in the tea districts by the end of 1966.

(2) *Schedule of Tariff for tea estates.*—The schedule of tariff rates applicable to tea estates was finalised by the West Bengal State Electricity Board in March, 1965 as follows :—

Energy Charge :

For the first 10,000 KW hrs.	... 11 paise per kwh.
For the next 20,000 „	... 10.8 paise per kwh.
For the balance	... 10.6 paise per kwh.

Plus Monthly Demand Charge

For first 100 KVA	Rs. 13/00 per KVA
For next 200 „	Rs. 12/50 per KVA
For balance	Rs. 12/00 per KVA

The Board's rates were considered to be too high because it was estimated that for an estate with a cold weather load of 40 KVA and a peak seasonal load of 200 KVA using 3,00,000 units per year the total cost would amount to Rs. 56,740 or 18.9 paise per

unit. It was suggested that a special flat rate of 10 paise per unit should be fixed for tea estates or alternatively a promotional tariff without any monthly demand charge—as follows :—

On the first 10,000 units	11 paise per unit.
On the next 10,000 units	10 paise per unit.
Above 20,000 units	9 paise per unit.

These proposals were not accepted by the Board.

The Association had therefore reluctantly to recommend to members the acceptance of the rates fixed by the Board. In bringing these rates to the attention of members it was explained that the Board had agreed that—

- (a) In respect of service connections, tea estates would only be charged the cost of spur lines and terminal equipment and that the cost of the main transmission lines to the estates would be borne by the Board provided that the extension was considered to be financially justified ;
- (b) Tea estates could pay the costs of the service connections by instalments : 10% initially and the balance in 60 monthly instalments with 5% interest. The payment of the instalments would commence after supply of electricity was switched on ;
- (c) Energy not exceeding 10% of the total consumption could be used for domestic purposes. If consumption for domestic purposes exceeded 10% as might be the case during the months of December to March—charges would be levied under Rate F instead of under Rate E ;
- (d) During the slack season if the minimum demand of 50 KVA was not reached, the demand charge would be based on 50 KVA provided that the overall rate per kwh did not exceed 18 paise, *i.e.*, if in any month due to very poor demand the overall rate per kwh exceeded 18 paise, only 18 paise would be charged.

By the end of the year a fair number of tea estates had advised the Board of their willingness to take supplies from the Grid.

(3) *Bengal Electricity Duty.*—A number of tea estates reported that they had received demand notices for electricity duty for periods going back in some cases to 1942. These demands had been issued because the tea estates concerned had not submitted regular reports to the Deputy Commissioners revising the data on which the assessments for the payment of electricity duty had been based as they were required to do under the West Bengal Electricity Duty Rules.

As the arrears of duty claimed were substantial the matter was taken up with the Chief Electrical Inspector, Government of West Bengal, to whom the unreasonableness of claiming arrears on the basis of present consumption was explained. The Chief Inspector agreed to review the demands, on the estates producing evidence to show in what manner in past years the number of points etc. had increased from that originally installed to the present figure.

Assam Air Scheme.—In last year's report it was recorded that the operation of the Assam Air Scheme had been unsatisfactory and that consideration was being given to terminating the agreement with Associated Air Works. The agreement was terminated at the end of January, 1965 and efforts are now being made to recover the amounts due by Associated Air Works to the Branch.

Air Services in the Dooars.—Owing to the improvement of road communications in the Dooars the agreement with Associated Airworks was terminated and the Branch Air Scheme was closed at the end of September, 1965. Arrangements are now being made to dispose of the Branch aircraft.

As in previous years, Jamair & Co., Private Ltd. were retained to provide services between Calcutta and the Dooars ; and

estates in the Dooars agreed to ship $2\frac{1}{2}$ per cent of their crops as backloads by that company.

In early September, Jamair & Co., Private Ltd. advised the Association that increased operating costs resulting from the increased excise duties etc. imposed by Government on aviation fuel etc. compelled them to revise their passenger fares and freight rates for the Dooars. The increases were approved but on the 21st September, 1965 Jamair advised that owing to the circuitous route which their planes had to follow as a result of the hostilities between India and Pakistan it was necessary for them to further revise their rates with immediate effect.

As a result the single passenger fare was increased from Rs. 82 to Rs. 85 and then to Rs. 100. The freight rate on tea was increased from 42 paise per kg. to 44 paise per kg.

Claims in respect of Teas carried by Road. In the Association's report for 1963 it was recorded that the Association had been in correspondence with the Calcutta Road Transport Association in connection with the acceptance of "damage certificates" issued by the broker members of the Calcutta Tea Traders Association as evidence of loss and as the basis for the assessment of claims for compensation in respect of teas damaged while in transit by lorries. This correspondence had proved fruitless because the Transport Association regretted its inability to accept the proposal.

In March, 1965 the Calcutta Tea Traders Association advised the Consultative Committee of Plantation Associations that as a result of discussions with the Insurance Association of India it had been agreed to recommend to tea companies that they should entrust the carriage of tea only to those road carriers who agreed to accept the terms and conditions of a new form of Agreement letter, which included a provision for the acceptance of brokers' "damage certificates." Copies of this agreement letter were issued to members in Circular No. 45 dated the 27th April, 1954 and is reproduced in the Appendices to this report.

Transport.— The broad gauge line between New Jalpaiguri and Jogighopa was opened to goods traffic from the 3rd May, 1965 and the railway authorities suggested that tea estates should utilise this route for the despatch of their stores from Calcutta to the Dooars and to the few stations in Assam served by this section. Unfortunately, however, the stations on the B.G. line have not yet been provided with adequate loading and unloading facilities. The stations themselves are at a great distance from the estates and in the absence of telephone facilities and adequate approach roads it was only possible to a limited extent for estates to accept their stores particularly coal at these stations.

In June 1965 the General Manager of the N. F. Railway approached the Association suggesting that Tea Companies should make more use of the railway for the despatch of their teas to Calcutta. He indicated that freight rates for tea had been reduced ; the registration fee for wagon indents for tea had been abolished ; and the free time for wharfage which was normally 48 hours had been increased to 120 hours. The railways were prepared to run Tea Specials if sufficient teas were offered and to maintain a special watch at loading and transshipment stations to see that clean and water tight wagons were made available for loading teas and that dunnage was invariably used and that chests were not damaged in handling. Members were advised of the points put forward by the General Manager and were left to decide for themselves the advantages of rail movement over their existing arrangements.

As a result of the hostilities between India and Pakistan the Steamer route was closed in September 1965. Several vessels carrying tea and stores were detained in Pakistan waters and it became necessary for all teas and stores to move to and from the tea districts over the all India route. Consultations were held with the railway authorities and a programme of daily wagon allotments for the various tea areas was drawn up.

Tea from North Bengal and Cachar were moved either directly by the B. G. line from New Jalpaiguri Station or by Metre Gauge to New Jalpaiguri Station where they were transhipped to the B. G. line. Assam teas were moved by road to Bongaigaon or by road, rail or steamer via Neamati to Jogighopa from where they were despatched to Calcutta by the B. G. line.

It is satisfactory to record that as a result of these arrangements teas were brought down to Calcutta without any major hold up occurring, at an arrival rate of 15,000 to 25,000 chests a day.

Freight rates for Tea.— The Central Government Railway Budget for 1965/66 revised the rates of freight payable in respect of a number of commodities. The rate for the carriage of tea was reduced as shown in the following comparative statement of old and new rates for certain representative distances :—

Quantity	Rates in Rupees per Tonne					
	300 kms (186 miles)		500 Kms (310 miles)		1000 Kms (620 miles)	
	Old	New	Old	New	Old	New
Wagonloads	42.90	40.88	65.18	62.16	112.22	106.96
Smalls	46.82	44.91	71.34	68.32	122.86	117.60

Freight rates were also reduced in respect of other commodities of interest to tea estates such as Milk Powder, Urea, Air-conditioning Units, Disinfectants and Medical Stores. Freight rates were increased, however, on hard coke, cement, iron and steel.

To encourage the transport of tea by rail special rates for the carriage of tea in wagon loads from stations on the D. H. Section of the N. F. Railway to Calcutta Via New Jalpaiguri and Farakka were introduced with effect from the 1st April, 1965.

These rates were revised and further reduced on the 1st July, 1965 and on the 28th August, 1965.

With the closure of the steamer route to Calcutta teas from Cachar had to be despatched to Calcutta by the all rail route. This involved an increase in transport charges amounting approximately to Rs. 2.15 per quintal. In view of the weak financial position of tea companies in Cachar the Chairman of the Tea Board was asked to request the Railways to consider carrying tea, from Cachar to Calcutta at concessional rates

The Association also asked the Tea Board to recommend to the Railway Board the inclusion of Tea in the schedule of commodities on which rebates on railway freights are allowed when consigned to ports for the purpose of export. If this concession was not granted by the railways it was recommended that the Tea Board should grant a transport subsidy for tea especially for Cachar.

The Tea Board have referred the matter to the Commerce Ministry of the Government of India whose decision is still awaited.

Rivers Steam Navigation Co. , Ltd. Owing to rising operating costs and because of the disastrous strike of crews in 1962 the Rivers Steam Navigation Co., Ltd. had asked the Government of India for financial help for the rehabilitation of their fleet.

To prevent the Company from going into liquidation and to ensure the continuance of the steamer services, the Government of India in February, 1965 acquired a controlling interest in the shares of the Company under an agreement. The Chairman of the Tea Board was appointed as the Government of India's nominee on the Board of Directors of the Company, which gave an assurance to the industry of continued and improved services. Up to the end of August the Steamer Company moved 53,000 tonnes of tea.

Unfortunately the steamer services were disrupted as a result of the hostilities between India and Pakistan in September and at the end of the year only a small internal service, which carried a further 17,350 tonnes of tea remained in operation in Assam between Neamati Ghat and Jogighopa.

Steamer Service to the U.K.— (1) *Availability of Space.*—The Liaison Sub-Committee which was set up by the Calcutta Liners Conference to keep the freight position for the shipment of tea to the U.K. under review, continued to hold regular meetings during the year and to examine difficulties relating to shipping space reported by members. The Association was represented on this Committee by Mr. M. R. Smith and Mr. V. K. Chaudhri. When Mr. Smith proceeded on leave in December Mr. C. J. N. Will was nominated to take his place on the Sub-Committee.

(2) *Freight Rates.*—In January, 1965 the Government of India set up a Committee under the Chairmanship of Sir Ramaswamy Mudaliar with the following terms of reference:

- (a) To identify the export commodities in which the existing shipping freight rates form a serious obstacle to their export, and
- (b) To recommend the reductions in the freight rates necessary in each case to enable the respective commodities to be exported at competitive prices.

The Association addressed a representation to the Committee asking that the freight rates on tea to the U.K. should be reduced to the 1963 level of 126 shillings per cubic metre nett in view of the fact that the rate of freight was an important factor affecting the competitive position of Indian teas in world markets.

It is regretted, however, that the Government of India did not accept the case presented by the Association on the ground that shipping freight on tea to U.K. from competing countries was higher than the rate from India.

CUSTOMS AND EXCISE

Regional Advisory Committee on Land Customs Matters.—

The Association was represented on the Regional Advisory Committee on Land Customs matters through the Associated Chambers of Commerce and Industry by Mr. M. C. Taraporvala of Macneill & Barry Ltd. Mr. Taraporvala resigned in July, 1965 and the Association nominated Mr. C. J. N. Will of the same firm to take his place on the Committee.

Excise Duty on Tea.—(1) *Rates of Excise Duty.*—The rates of excise duty on tea remained unchanged during the year as follows :—

		Excise Duty per Kg.	Special Excise Duty per Kg.	Total per Kg.
Zone I	Green Tea	10 nP.	2 nP.	12 nP.
	Tea other than Green Tea	15 „	3 „	18 „
Zone II		25 „	5 „	30 „
Zone III		30 „	6 „	36 „
Zone IV		35 „	7 „	42 „
Zone V		45 „	9 „	54 „

(2) *Payment of Excise duty by cheque.*—Since 1961 manufacturers of excisable goods have been allowed to pay excise duty by cheque subject to the condition that the licencees deposited security or furnished a bank guarantee to cover the duty normally paid by them during the period of not less than 7 days. As a result of representations made to Government in

this connection the excise authorities announced in September 1965 that securities or bank guarantees would be dispensed with and that cheque payments would be allowed subject to the following conditions :—

- (i) The facility of payment by cheque would be allowed only in the case of manufactured goods. It would not be allowed for un-manufactured products.
- (ii) The facility would be allowed as at present only to such manufacturers, who in a year pay not *less than* Rs. 25,000 as excise duty.
- (iii) The Department was satisfied about the credit worthiness of the licensee. For these purposes the licencees would have to intimate the names of their bankers etc.

(3) *Accommodation for Excise Officers.*—In last year's report it was recorded that a manager had been asked by a Superintendent of Central Excise to sign a declaration undertaking to continue letting office accommodation to the Excise Department for five years at a fixed rental of Rs. 25 per month. As this arrangement was contrary to the 1949 agreement under which the excise department agreed to pay rent at the rate of 10 per cent of the excise officer's salary plus Rs. 20 the matter was referred to the Collector. The enquiries revealed that in this particular case the estate had in the past accepted a fixed rental for the accommodation provided for the excise officer and the excise department was seeking to extend the arrangement for a further period. The Association considered that there was no justification for the excise department not to pay rent in accordance with the 1949 agreement and the Collector was asked to ensure that the agreement was adhered to when renewing the the sanction for the tenancy of the quarters provided by the estate.

Drawback of Excise Duty on plywood tea chests used as containers of exported teas.— The rates of drawback of excise duty allowed on tea chests used as containers of exported tea were twice revised during the year as follows :—

Size of Chest	From 5th March 1965 (per 100 chests)	From 5th April 1965 (per 100 chests)
19" x 19" x 24"	Rs. 75	Rs. 81
19" x 19" x 22"	Rs. 71	Rs. 77
19" x 18" x 20"	Rs. 63	Rs. 67
16" x 16" x 18"	Rs. 52	Rs. 56
16" x 16" x 20"	Rs. 55	Rs. 59
17" x 17" x 17"	Rs. 54	Rs. 59

MISCELLANEOUS

National Emergency.— On the 7th September, 1965 a State of Emergency was declared in India as a result of an outbreak of hostilities with Pakistan. The fighting was confined to areas in Punjab and Kashmir but considerable tension developed in the border areas in North East India. A large number of steamers and flats belonging to the Rivers Steam Navigation Co., Ltd. and to other steamer companies carrying tea to Calcutta and stores to the tea estates were seized while in transit in Pakistan waters. The teas and stores were declared Prize of War by the Pakistan Government and subsequently in October a Prize Court declared the goods confiscated. Copies of the invoices relating to the seized teas and details of the stores impounded were sent to Orr Dignam & Co., Dacca, who were requested to represent the Rupee Companies before the Prize Court. Sterling Companies were also represented by Orr Dignam & Co., Dacca, on instructions received from the Indian Tea Association, London.

Following the seizure of the teas and stores the Association made a reference to the Government of India to confirm that the goods would be covered by the Emergency Risks Insurance Schemes. Government confirmed that the goods would be covered provided that premia due for the quarter ended 30th September, 1965 had been paid by the 23rd September, 1965. Members were accordingly advised to arrange for the payment of the premia in accordance with a notification dated the 9th September issued by the Government of India fixing the rate of premia for the quarter at 10 paise per Rs. 100 of the sum insured and to inform the Oriental Fire & General Insurance Co., Ltd. that they would be submitting claims in due course. When information was received that the detained teas and stores had been confiscated members were advised to file formal claims with the insurers. In respect of teas it was recommended that claims should be based on brokers' valuations of the teas.

Where valuations were not available it was suggested that the claims should be based on the average price of like quality teas at 3/4 sales before and after the date on which the teas would normally have been sold. Members were also advised to send details of their detained teas and stores to the Custodian of Enemy Property, Bombay, as well as to the special cell set up by the Government of India in New Delhi to deal with these problems.

Communications were disrupted as a result of the Emergency. The mails became irregular and the Indian Airlines Corporation was only able to operate one flight a day to Gauhati on such days as clearance for the flights was given by the military authorities. The Association therefore arranged two chartered flights to Gauhati on the 15th September and the 18th September with the object of bringing down to Calcutta a number of school children who were awaiting transport to return to their schools in the U.K. The opportunity was taken of these flights to send up to Assam some cold stores and food for the managerial staff who were unable to obtain supplies of butter, cheese, bacon, oil etc. locally. A number of representatives of Agency Houses in Calcutta also utilised the flights to visit their estates.

With the closure of the river route alternative arrangements had to be made for the movement of tea and stores to and from the tea districts. Movement was arranged by road and by rail to Jogighopa. Between Jogighopa and Neamati the Steamer companies maintained a small steamer service. Further details are given in another section of the report.

A conference of all workers' and Employers' Organisations in the State of Assam was convened by the Labour Minister, Assam, in Shillong on the 26th September to discuss the maintenance of industrial peace during the Emergency. The Conference was attended by Mr. A. F. Macdonald, Mr. J. G. Ham, Mr. R. S. Sharma, Mr. P. Crombie, M.B.E, Mr. J. S. Hardman.

O.B.E., Mr. J. E. Atkins and Mr. Raha. The following resolutions *inter alia* were adopted by the Conference :—

- (1) The Conference agrees that under no circumstances shall there be any interruption in or slowing down of the production of goods and services.
- (2) The workers and employers agree not to resort to strikes and lock-outs during emergency period.
- (3) It is agreed by the employers that they would not normally resort to retrenchment. In case of proposed retrenchment the employers would first discuss with the Union and Labour Department. Failing any settlement, the matter of retrenchment would be referred to an Arbitration Board. The Arbitration Board will give its decision within a fortnight from the date of reference.
- (4) During the Emergency special efforts should be made by both the employers and workers to avoid disputes. If nevertheless, a dispute arises, maximum efforts should be made to settle it bilaterally at the appropriate level. Failing settlement, disputes may go to conciliation. If conciliation fails, disputes of the nature determined by the Sub-Committee appointed under paragraph 6 shall be referred to a Voluntary Arbitration Board.
- (5) In order to increase efficiency and maximise productivity Emergency Production Committees shall be set up at unit level. The State level Emergency Production Committee shall co-ordinate the activities of the unit level Committees and take into account the availability of raw materials, marketing facilities, etc.

Managing Agency Enquiry Committee.— By a notification dated the 4th January, 1965 the Government of India set up a Committee under the Chairmanship of Dr. I. G. Patel, Chief Economic Adviser to the Government of India to enquire into and report on the desirability of action under the provisions of Section 324 of the Companies Act, 1956. The Committee's enquiry was to be limited in the first place to the Cement, Cotton, Textiles, Paper, Sugar and Jute Textiles industries ; and the Government of India would consider whether it should make enquiries into any other industry after the report on the five abovementioned industries had been submitted.

Tea Companies in North and South India have had their applications for the renewal of Managing Agency agreements etc. approved generally for a period of three years but several Agency Houses in South India have had applications in respect of coffee companies, rubber companies and mixed plantation crop companies either refused or renewed for a strictly limited period such as six months only. The Consultative Committee have addressed the Company Law Board to ascertain whether different principles for the renewal of Managing Agency agreements are being applied in respect of tea companies and coffee, rubber, and mixed crop companies.

Introduction of the Metric System of Weights & Measures.

In last year's report it was recorded that the Study Group on the introduction of the metric system of weights and measures on tea estates had appointed a Sub-Committee to investigate and submit a report on the various systems followed by tea estates in the weighing of green leaf and in the issue of rations and that the Sub-Committee had formulated certain preliminary recommendations.

A meeting of the Sub-Committee was held on the 15th March, 1965 when the preliminary recommendations were re-

examined and it was decided to submit the following final recommendations to the Study Group :

- (a) The practice of marking earnings in terms of paise on the dials of scales used for leaf weightment, followed by some tea estates in Assam, should be allowed to continue.
- (b) The use of domestic type spring balances for the weightment of green leaf should be allowed up to the 31st December, 1966 provided that the balances were found to be accurate. Domestic type balances which could be modified to conform to the specifications and on verification passed the prescribed tests should be treated as trade type balances and stamped accordingly. All tea estates should be required to report their stocks of domestic type balances to their respective Controllers of Weights and Measures by the 30th June, 1965. (Members of the Association were asked to do so in Circular No. 41 of the 22nd April, 1965).
- (c) Tea estates in West Bengal should be asked to discontinue the practice of measuring rations by volume.
- (d) Existing practices for the weightment of leaf should be allowed to continue up to the 31st December, 1965, during which time the industry would examine the possibility of adopting the practice of weighing green leaf in tared containers.
- (e) Tea estates should be allowed to keep existing machines which bear dual graduations i.e. in kgs. and lbs. for the lifetime of the machines.

The recommendations of the Sub-Committee were considered by the Study Group at a meeting held on the 2nd June when it was agreed :

- (a) that the present systems for the weighment of green leaf should be allowed to continue, it being left to the Inspectors to verify the methods used for ascertaining the tare weight of baskets and, in the event of any irregularity being found, to report such cases to the local Association or Branch of the Indian Tea Association for necessary action,
- (b) that as long as they were accurate domestic type spring balances could be used for the remainder of their lifetime or up to the 31st December, 1966, after which only trade type spring balances and domestic type balances which had been converted to trade type would be allowed to be used for the weighment of green leaf and the issue of rations,
- (c) that instructions would be issued to Inspectors of Weights & Measures to ignore the paise graduations which some estates in Assam mark on the dials of spring balances to indicate labourers' earnings in terms of money,
- (d) that a census should be taken to ascertain the number of tea estates in West Bengal, which issued rations by box measurements ; the difficulties which might be experienced by them in issuing rations by weighment ; the increase in staff which might be needed for such weighment ; and whether the issue of rations would be delegated to the garden shopkeeper if rations had to be issued by weighment. In the meantime the use of wooden measuring boxes would be allowed and their capacity would be checked periodically.

In Assam the Weights and Measures (Enforcement) Act would be amended to include provision for dry measurement.

- (e) that manufacturers who exported would be allowed to use platform scales with double graduations. Those who did not export would be allowed to use such machines for the remainder of the life of the machines.

In accordance with the recommendation of the Study Group a survey was carried out into the use of measuring boxes for the issue of rations. The survey revealed that measuring boxes were not used in Darjeeling ; that boxes were used by 34% of members in the Dooars and 25% of members in the Terai ; that the estates concerned were of the view that extra staff would be required if rations were to be issued by weightment ; and that nearly double the time would be taken for such issue. The results of the survey were reported to the Study Group.

A matter which caused some difficulty in Assam was the refusal of certain Inspectors to verify weighing instruments which had been purchased outside the State. The matter was taken up with the Controller of Weights and Measures, Assam, who confirmed that tea estates were free to obtain their weighing machines from outside Assam. He explained, however, that such instruments would have to be verified by the local Inspector of Weights and Measures *before* they were brought into use. It would not be in order for estates to use weighing instruments before verification in Assam even if the machines had already been verified by an Inspector of any other State.

The Apprentices Act 1961. -- In last year's report it was recorded that in Assam members had been advised to declare artisans in Grades A and B as "fully skilled" workers and those in Grade C as "less skilled" workers in their replies to the questionnaire issued by the State Apprenticeship Adviser calling for details of workers employed in the "designated trades" notified under the Apprentices Act, 1961.

On the basis of the replies received the Apprenticeship Adviser issued notices to estates requiring them to engage

apprentices in the "Millwright/Maintenance Mechanic" trade which he claimed corresponded to the post of fitter mechanic on the estates. The Association considered the Apprenticeship Adviser's demand unjustified because the definition of "Millwright/ Maintenance Mechanic" given in the National Classification of Occupations read as follows :

"753.58 Mechanic, maintenance, repairs and overhauls workshop machines and equipment periodically and on break-downs to maintain them in working condition."

and did not therefore necessarily cover the mechanics employed on tea estates to maintain motor vehicles, diesel engines and tractors. The tea estate employees were more likely to come within the definition of "automobile mechanic", "automobile fitter", "Diesel Engine mechanic", "Oil Engine fitter" or "Tractor mechanic", in which trades apprentices had only to be appointed if the establishment employed three or four skilled workers as compared with two skilled workers in the trade "Millwright/ Maintenance Mechanic."

This matter was taken up with the State Apprenticeship Adviser and up to the end of the year remained under correspondence between him and the Shillong Adviser.

A comprehensive Circular covering all the advice issued to members in connection with the Apprentices Act, 1961 was issued under Circular No. 86 of 20th August, 1965.

Foreigners (Restricted Areas) Order 1963. During the year the Association represented to the Government of West Bengal the difficulties experienced by tea companies in obtaining residential permits under the Foreigners (Restricted Areas) Order 1963 for British nationals engaged for service in the tea districts of West Bengal. It was explained that owing to the enquiries which were made in respect of each application it was often necessary for the planter to remain in Calcutta for ten to fourteen

days at considerable expense. It was suggested that in such cases temporary residential permits might be issued valid for three months during which time the planter could obtain a permanent residential permit.

In reply Government stated that when a Tea Company intended to post a foreign tea planter in a restricted area, the application for a permit could be submitted in advance of the planter's arrival in Calcutta and that if this was done ten to fourteen days in advance it would not be necessary for the planter to stay in Calcutta for more than 2 or 3 days. Members were advised to act accordingly.

A further difficulty which was represented to the Government of West Bengal was the case of planters in one restricted area having to enter another restricted area at very short notice in cases of emergency e.g. planters in Assam having to visit their children at school in Darjeeling in cases of illness. This problem was also referred to the Government of India, Ministry of Home Affairs, which in due course advised the Association that instructions had been issued to the local authorities in West Bengal and Assam to allow British planters, who were in possession of special permits for stay in a restricted area in Assam or West Bengal, to visit a restricted area in the other State.

By a notification dated the 1st May, 1965 the Government of West Bengal under paragraph 10 of the Foreigners Order, 1948 declared all tea estates in the Darjeeling district to be establishments in which no foreigners could be employed without the permission in writing of the civil authority.

The Personal (Compensation Insurance) Act 1963.—The Personal Injuries (Compensation Insurance) Act, 1963 was brought into force with effect from the 1st November, 1965. The Act imposes on employers of persons employed in a factory, mine, major port or plantations, where the wage bill for any quarter exceeds Rs. 1,500, the liability to pay compensation in respect of personal injuries arising out of enemy action to the extent that the amount of compensation, which would have been

payable under the Workmen's Compensation Act, exceeds the amount of compensation payable under the Personal Injuries (Emergency Provisions) Act, 1962.

To cover their liabilities on this account the employers concerned are required to take out policies of insurance with the Life Insurance Corporation of India which has been appointed the Central Government's Agent for this purpose. Applications for the issue of policies for the quarter ending 31st March, 1966 have to be made between the 10th January and 9th February, 1966. The rate of the advance premium for the quarter ending 31st March 1966 was fixed at 25 paise per Rs. 100 of the Wage Bill for the quarter ended 31st December, 1965.

Copies of the Act, the Rules and the Scheme framed by Government to give effect to the provisions of the Act were issued to members in Circular No. 145 of the 4th December, 1965.

West Bengal Shops & Establishments Act 1963.— By a notification dated the 26th March, 1965 the Government of West Bengal allowed a period of 90 days from the 10th February, 1965 to establishments covered by the West Bengal Shops and Establishments Act, 1963 to apply for registration under the Act.

The Association made representations to the Labour Department of the Government of West Bengal suggesting that workers employed on tea estates should be exempted from the provisions of this Act as they were covered by the provisions of the Plantations Labour Act. By a notification dated the 26th October, 1965 establishments to which the Plantations Labour Act applied were exempted from all the provisions of the Shops and Establishments Act other than those of Sections 8, 9 and 10.

Assam Chaplaincy Scheme.— During the year the Assam Chaplaincy Establishment Fund continued to maintain two Chaplains as follows :—

- Rev. F. H. Davey — at Lahoal near Dibrugarh.
- Rev. P. Innes — at Digboi.

Tea companies contributed to the Fund in 1965 at the rate of Rs. 100 per 100 hectares as compared with the 1964 rate of Rs. 124 per 100 hectares.

Darjeeling Chaplaincy Fund. — In 1948, the Association gave an assurance to the Metropolitan of India that on condition that a Chaplain was maintained in Darjeeling, an annual contribution of Rs. 5,000 would be guaranteed by the Industry for the upkeep of the Chaplaincy. During the year under review Agency House estates in the Darjeeling District contributed at the rate of 80 paise per hectare to raise the guaranteed sum and the total collection, which amounted to Rs. 5161/31 was paid to the Bishop of Barrackpore under whose jurisdiction Darjeeling falls.

Planters Amenities Fund. — The rates of subscription to the Planters Amenities Fund for 1965 were fixed at the same level as in 1964 viz. :

31 paise per hectare for Cachar gardens.

62 paise per hectare for all other tea areas.

The collections made were distributed in accordance with proposals, which received the prior approval of the Committee.

Malaria Control. During the year large areas of Assam moved from the attack to the consolidation phase of malaria eradication. Total cover DDT spraying was withdrawn and the eradication of the remaining malaria parasites was sought to be achieved by case detection and radical treatment. The changes affected many tea estates and in the Assam Branch area only those in the Nowgong Circle and those lying close to Bhutan, Nagaland and NEFA were sprayed by NMEP teams.

Spraying was withdrawn because the number of cases had reached a low level but it was emphasised by the Director of the

NMEP that the search for malaria carriers would have to continue until there were no indigenous or relapsing cases left. Otherwise there was a risk of outbreaks of focal malaria and the re-introduction into the community of parasites that would cause very severe attacks because people would have lost their immunity. The importance of case detection was therefore strongly emphasised. "Active" case detection was the responsibility of the NMEP, whose staff made regular fortnightly house to house visits. "Passive" case detection was left to tea estates. For this purpose Medical Officers were asked to take blood slides of each and every fever case reporting at the garden hospital and to stain the slides even if the M. O. was of the opinion that the case was not one of malaria. Positive slides were to be passed on to the local malaria units.

Calcutta School of Tropical Medicine. The members of the Association with a few exceptions continued their support of the Calcutta School of Tropical Medicine during 1965, the subscription being fixed at 7.5 paise per hectare. A total of Rs. 9333/20 was accordingly paid over to the School. The Association is represented on the Governing Body of the School by Mr. I. F. Morris, O.B.E.

The normal courses for the Licence and the Diploma in Tropical Medicine were held during the year as from the 15th October, 1965. A Leprosy Training Course was held from the 14th July to the 13th August, 1965.

Ross Institute of Tropical Hygiene. Tea Companies in the membership of the Association continued to support the Ross Institute of Tropical Hygiene, India Branch during the year.

With the co-operation of Dr. B. N. Chatterjee, the Chief Medical Officer of the Chuapara Medical Association, the Ross Institute conducted a refresher course for Assistant Medical Officers in January, 1965.

A three day course in Tropical Hygiene for Planters was held at the Institute's headquarters from the 13th to the 15th January, 1965.

Dooars & Darjeeling Nursing Home. - The Dooars and Darjeeling Nursing Home continued to function satisfactorily during the year under review under the control of Dr. R. N. Bose, M.B., B.S., F.R.C.S.

The rates of tea company subscriptions were maintained at the same level as in 1964 viz. : —

For gardens in Darjeeling	...	Rs. 4.65	per hectare
For gardens in Terai	...	Rs. 3.85	„ „
For gardens in the Dooars excluding Eastern Dooars	...	Rs. 1.85	„ „
For gardens in the Eastern Dooars	...	Rs. 1.25	„ „
Special Health Scheme	...	Rs. 4.65	„ „

During the year the negotiations for the purchase of "Ponoma" as a residence for the Principal Medical Officer, the Deputy Principal Medical Officer and the nurses of the Dooars and Darjeeling Nursing Home, were completed.

A Blood Bank Week was held from the 22nd to the 28th May, 1965 to raise funds and to popularise the Darjeeling Blood Bank which is controlled by the Nursing Home. Several functions were held including a Fete, a Dance and a Charity Film Show which resulted in a nett collection of over Rs. 12,000.

Victoria Hospital, Darjeeling. The Darjeeling Branch reported that complaints had been received from estates that admission of tea estate patients to the Victoria Hospital, Darjeeling was often delayed and that serious cases of illness/

accidents involving tea estate employees did not always receive the prompt attention they deserved.

These complaints had been discussed with the local authorities and it appeared that the delays complained of stemmed from the fact that the Hospital had no emergency or casualty ward. The Darjeeling Branch therefore proposed that a separate ward, consisting of a 4 bed cabin, should be built for tea estate patients. The ward would be an emergency ward and patients admitted to these beds would be transferred within 48 hours to the hospital's general ward.

As there was land for the construction of such a ward, the Association requested the Director General of Health Services, Government of West Bengal to examine the Branch proposal and to indicate with what assistance and on what terms it would be possible for Government to undertake this extension of the Victoria Hospital, Darjeeling. Government has referred the proposal to the Chief Medical Officer of Health, Darjeeling for his views.

National Defence Fund. - The Association recommended that contributions to the National Defence Fund should be made at the rate of Rs. 2/- per acre except in Cachar where owing to the financial position of the Companies concerned a rate of Re. 1/- per acre was recommended.

In the case of the Assam Valley half the amount was paid through the Chief Minister of Assam to whom a cheque for Rs. 2,00,001/- was handed by the Branch Chairman. The remainder was paid locally by the estates through the S.D.O.'s etc.

In the case of the Dooars and Terai the payment was made by the Chairman at Calcutta to the Chief Minister of West Bengal to whom a cheque for Rs. 1,75,000 was presented. The contributions in respect of Darjeeling were collected by the Darjeeling Branch while those in Cachar were paid through the S.D.O.'s etc.

It is estimated that the contributions of the members of the Association and the Branches amounted to approximately Rs. 6½ lacs.

“Shram Vir” National Awards. During the year the Government of India, Ministry of Labour and Employment instituted a Scheme for the grant of national awards called “Shram Vir National Awards Scheme” for rewarding useful suggestions on the part of workers leading to higher productivity or greater efficiency. The Scheme was made applicable to factories, mines, plantations and docks, which had suggestion schemes of their own in operation, and provides for the grant in addition to certificates of five prizes in Class I with cash awards of Rs. 2,000 each, 10 prizes in Class II with cash awards of Rs. 1,000 each and 20 prizes in Class III with cash awards of Rs. 500 each.

Details of the scheme were made available to members in Circular No. 47 of the 5th May, 1965.

Hail Survey Fees. The scale of fees payable to assessors for assessments and re-assessments of hail damage on tea estates had been fixed in 1949; and as they were considered inadequate for professional services in present day circumstances, the Association asked the Insurance Association of India to review the matter and revise the rates. In due course the Insurance Association of India approved the following revised rates of hail assessment fees, payable on the basis of the area actually damaged by hail : —

	<i>Rupces</i>
Up to 200 acres	110 (minimum fee)
Exceeding 200 and not over 300 acres	160
„ 300 and not over 400 acres	215
„ 400 and not over 500 acres	270
For each additional 100 acres surveyed beyond 500 acres	35
Re-surveys for Underwriters	50% additional

Cemeteries in the Tea Districts. Agency Houses with interests in Darjeeling and Terai subscribed towards the Darjeeling Cemeteries Fund at the rate of Rs. 30/- for each estate, while those in Cachar, except estates in Longai Valley, contributed towards the Christian Cemetery in Silchar at the rate of Rs. 20/- per estate.

Membership Subscription. - The rate of subscription for the last three years has been as follows :—

- 1963 — 2 88 P per kilogram of the average production for the years 1959, 1960 and 1961.
- 1964 — 1.20 P per kilogram of the average production for the years 1960, 1961 and 1962.
- 1965 — 1.10 P per kilogram of the average production for the years 1961, 1962 and 1963.

Finance.— Copies of the audited balance sheet of the Association as at 31st December, 1965, together with the revenue accounts for the year are attached to the report.

A. F. Macdonald,—*Chairman.*

E. H. Hannay, O.B.E., *Vice-Chairman.*

B. P. Bajoria

B. D. C. Dunhill

P. A. Francis

S. D. K. Fraser,

P. C. Simms

A. N. Sircar

M. R. Smith

Hon. S. P. Sinha

D. B. Wallace

G. A. Whitaker

D. A. SPRIGGE,

Assistant Secretary,

Royal Exchange,

Calcutta, 15th January, 1966.

INDIAN TEA ASSOCIATION.

STATEMENTS OF ACCOUNTS

For the year 1965.

INDIAN TEA BALANCE SHEET

As at 31st Dec. 1964 Rs.	LIABILITIES				
	CAPITAL ACCOUNT	Rs.	P.	Rs.	P.
60,37,558	As per last Balance Sheet ...	58,77,461	18		
-1,60,097	Less—Deficit for the year ...	4,99,403	70	53,78,057	48
	SPECIAL LEVY FOR LEGAL EXPENSES				
48,122	As per last Balance Sheet ...	48,121	62		
—	Less—expended during the year ...	32,100	00	16,021	62
1,02,112	LOANS—UNSECURED .. ..	...	...	1,02,112	00
	SUNDRY CREDITORS				
1,39,300	For expenses	84,046	26		
1,14,139	„ other finance	2,40,535	05		
30,600	Lokpriya Bardolai Memorial Fund	30,600	19		
1,07,778	Planters Amenities Fund ...	86,098	83		
1,293	Advance Subscription ...	1,293	37		
34	Calcutta School of Tropical Medicine	9,333	20	4,51,956	90
1,50,000	Tea Board Grant for Non-recurring Expenditure Scientific Department ...	88,261	00		
-36,424	Less—Depreciation on Assets acquired ex this grant ...	15,340	00		
		72,921	00		
-25,315	Less—Unexpended balance trans- ferred to Tea Research Association ... ..	...	...	72,921	00
65,09,109	TOTAL RS ... ..	...	...	60,21,069	00

AUDITORS' REPORT

We have audited the foregoing Balance Sheet of the Indian Tea Association as at 31st December, 1965, in which have been incorporated the assets and liabilities of the Indian Tea Association, Scientific Department and the Income and Expenditure Account for the year ended on that date with books and vouchers. We have obtained all the information and explanations we have required. In our opinion the Balance Sheet sets forth correctly the position of the Association according to the best of our information and the explanations given to us and as shown by the books of the Association.

LOVELOCK & LEWES,
Chartered Accountants.

Calcutta, the 22nd February, 1966.

ASSOCIATION

as at 31st December, 1965.

As at 31st Dec. 1964 Rs.	ASSETS				
	FIXED CAPITAL EXPENDITURE	Rs.	P.	Rs.	P.
	(As per Schedule)				
6,35,305	Labour Department ...	5,95,931	00		
18,04,766	Engineering and Scientific Department ...	15,74,733	61		
2,25,002	General ...	2,24,172	00	23,94,836	61
	OUTSTANDING				
	Subscriptions				
84,010	Considered good ...	25,964	02		
21,009	Considered doubtful ...	16,122	84		
2,16,251	Others—considered good ...	1,76,708	81		
24,720	Interest accrued ...	36,313	34		
36,492	Income Tax on Security Interest ...	45,473	34	3,00,582	35
	ADVANCES				
2,14,930	Sundries ...	2,45,449	54		
12,65,794	Due by Tea Research Association ...	3,86,131	98	6,31,581	52
	DEPOSIT				
2,880	Telephone ...	2,460	00		
3,100	Sundries ...	7,100	00	9,560	00
	INVESTMENTS AT COST				
4,49,948	4% Loan 1981 for Rs. 4,56,800 ...	4,49,948	00		
1,01,800	4% " 1985 " Rs. 1,01,800 ...	1,01,800	00		
1,00,299	4% " 1980 " Rs. 1,00,400 ...	1,00,299	60		
99,937	3½% " 1969 " Rs. 1,01,100 ...	99,937	35		
2,00,000	4% " 1979 " Rs. 2,00,000 ...	2,00,000	00		
1,00,000	6½% Non-redeemable Debentures of Bengal Chamber of Commerce and Industry ...	1,00,000	00	10,51,984	95
810	Stock of Stores in hand ...				
	CASH AND BANK BALANCES				
	With State Bank of India				
3,59,646	on Current Account ...	85,002	32		
5,50,000	" National & Grindlays Bank Ltd., on Fixed Deposit Account ...	15,30,000	00		
	" Shillong Adviser at State Bank of India Shillong on Current Account ...	12,090	37		
5,905	In hand ...	1,550	54		
764	" Darjeeling Branch Indian Tea Association on Imprest Account ...	1,500	00		
1,500	In hand ...	2,380	34	16,32,523	57
4,232					
65,09,100	TOTAL Rs. ...			60,21,069	00

W. D. BRYDEN,
Secretary.A. F. MACDONALD,
Chairman.

INDIAN TEA

Schedule of fixed

	Cost to 31st December 1964		Additions 1965		Sales during 1965	
	Rs.	P.	Rs.	P.	Rs.	P.
LABOUR DEPARTMENT						
Bungalow and Staff Quarters,						
Jorhat A/c. Labour Adviser	1,47,776	62	175	00	...	...
„ Additional Labour Adviser	2,17,839	34	...	...	...	...
„ Dooars, A/c. Labour Adviser	3,17,642	86	...	...	...	...
A/c. Addl. Labour						
Adviser	2,37,299	68	7,320	00	...	...
„ Sonabheel, A/c. Labour						
Adviser	46,763	59	...	...	...	...
A/c. Addl. Labour						
Adviser	2,43,451	19	1,145	06	...	...
Secretary's Bungalow at Surma						
Valley	40,793	88	6,162	35	...	...
Office Equipment and Bungalow						
Furniture	1,65,072	94	8,639	35	...	...
Leasehold Land at Darjeeling	3,977	50	...	...	...	...
Labour Adviser's Bungalow at						
Darjeeling	72,193	00	...	...	...	...
Air Conditioning Plant & Gene-						
rating Sets	66,693	19	4,000	00	600	00
Total	15,59,503	79	27,441	76	600	00
GENERAL						
Motor Cars	2,05,361	03	51,998	98	34,164	49
Advisers' Air Conditioning Plant	53,766	78	...	...	...	...
Advisers' Furniture & Fittings	87,405	05	...	...	...	...
Advisers' Equipment	5,158	27	...	...	...	...
Shillong Adviser's Bungalow	1,12,409	48	...	...	...	...
Shillong Adviser's Bungalow						
Furniture	1,302	32	1,587	40	100	00
Shillong Adviser's Office Equip-						
ment	6,076	32	...	...	...	...
Auto Cycle for Shillong	2,573	74	...	...	...	...
Furniture & Fittings	20,841	08	531	30	...	...
Cinema Projection Equipment	4,815	00	...	...	...	...
Total	4,99,709	07	54,117	68	34,264	49

*Total Depreciation ...

Less adjustment in respect of sales ...

ASSOCIATION

Capital Expenditure

Cost to 31st December 1965		DEPRECIATION						Balance as at 31st December 1965	
		to 31st December 1964		For 1965		to 31st December 1965			
Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.
1,47,951	62	1,08,169	62	3,978	00	1,12,147	62	35,804	00
2,17,839	34	1,29,685	34	8,815	00	1,38,500	34	79,339	00
3,17,642	86	2,23,439	86	9,420	00	2,32,859	86	84,783	00
2,44,619	68	1,29,983	68	11,464	00	1,41,447	68	1,03,172	00
46,763	59	29,974	59	1,679	00	31,653	59	15,110	00
2,44,596	25	1,40,830	19	10,377	06	1,51,207	25	93,389	00
46,956	23	20,149	88	2,681	35	22,831	23	24,125	00
1,73,712	29	98,099	94	7,561	35	1,05,661	29	68,051	00
3,977	50	3,977	50	...	...	3,977	50	...	...
72,193	00	24,827	00	4,737	00	29,564	00	42,629	00
70,093	19	15,061	19	5,503	00	20,564	19	49,529	00
15,86,345	55	9,24,198	79	66,215	76	9,90,414	55	5,95,931	00
2,23,195	52	1,15,550	54*	23,601	98*	1,39,152	52	84,043	00
53,766	78	29,682	78	2,408	00	32,090	78	21,676	00
87,405	05	49,909	05	3,750	00	53,659	05	33,746	00
5,158	27	4,254	27	90	00	4,344	27	814	00
1,12,409	48	38,616	48	7,379	00	45,995	48	66,414	00
2,789	72	352	32	244	40	596	72	2,193	00
6,076	32	2,947	32	313	00	3,260	32	2,816	00
2,573	74	1,254	74	263	00	1,517	74	1,056	00
21,372	38	11,850	08	952	30	12,802	38	8,570	00
4,815	00	1,655	00	316	00	1,971	00	2,844	00
5,19,562	26	2,56,072	58	39,317	68	2,95,390	26	2,24,172	00
...		1,34,185	03	25,550	98				
...		18,634	49	1,949	00				
		1,15,550	54	23,601	98				

INDIAN TEA
Scientific
Schedule of Fixed

	Written down value on 31-12-1964		Additions in 1965		Sales during 1965	
1	2		3		4	
	Rs.	P.	Rs.	P.	Rs.	P.
Tocklai Land and Buildings						
Buildings	8,33,797	00	...	...	...	...
Land	1,23,433	11	...	...	...	...
Electrical Installation ...	92,488	00	...	...	11,900	00
Internal Telephones ...	2,057	00	...	...	...	...
Water Supply	81,711	00	...	...	...	...
Tea Factory Machinery ...	7,690	00	...	...	...	...
Laboratory Apparatus and Equipment	67,925	00	...	...	...	...
Laboratory Fittings ...	8,327	00	...	...	...	...
Air-Conditioning Plant ...	15,003	00	...	...	...	...
Fire Fighting Equipment ...	10,372	00	...	...	...	...
Advisory Officers' Bungalows and Staff Quarters ...						
Dooars	16,002	00	...	...	...	...
Darjeeling	5,393	00	...	...	...	...
Cachar	14,836	00	...	...	...	...
Furniture and Fittings						
Tocklai Officers' Bungalows and Office Furniture ...	1,98,369	00	...	...	687	00
Advisory Officers' Bungalow and Office Furniture ...	7,979	00	...	...	...	...
Meteorological Enclosures ...	8,442	00	...	...	...	...
Fencing and Roadways ...	47,582	00	...	...	...	...
Wireless Receiving Set ...	162	00	...	...	—	...
Agricultural Implements & Field Requirements ...	2,176	00	...	...	...	...
	15,43,744	11	...	...	12,587	00

ASSOCIATION

Department

Capital Expenditure, 1965

Total of Cols. 2 & 3 minus col. 4		Percentage of depreciation	Depreciation in 1965		Balance on 31-12-1965	
5			7		8	
Rs.	P.		Rs.	P.	Rs.	P.
8,33,797	00	10%	83,380	00	7,50,417	00
1,23,433	11	...	—	—	1,23,433	11
80,588	00	20%	16,118	00	64,470	00
2,057	00	20%	411	00	1,646	00
81,711	00	20%	16,342	00	65,369	00
7,690	00	10%	769	00	6,921	00
67,925	00	20%	13,585	00	54,340	00
8,327	00	10%	833	00	7,494	00
15,003	00	10%	1,500	00	13,503	00
10,372	00	10%	1,037	00	9,335	00
16,012	00	10%	1,600	00	14,402	00
5,393	00	10%	539	00	4,854	00
14,836	00	10%	1,484	00	13,352	00
1,97,682	00	10%	19,768	00	1,77,914	00
7,979	00	10%	798	00	7,181	00
8,442	00	10%	844	00	7,598	00
47,582	00	10%	4,758	00	42,824	00
162	00	25%	40	50	121	50
2,176	00	50%	1,088	00	1,088	00
15,31,157	11		1,64,894	50	13,66,262	61

INDIAN TEA

Scientific

Schedule of Fixed

	Cost to 31-12-1964	Additions in 1965	Sales in 1965
Machine Tools Equipment & Instrument ...	42,970.56	...	...
Furniture & Fittings ...	10,473.32	...	...
Bungalow ...	1,20,189.67	...	...
Power House & Workshop Building ...	53,933.94	...	...
Electrical Installation ...	1,51,496.59	...	...
Pilot Factory & Prototype Machinery ...	6,61,966.51	12,093.08	...
Engineer's Office at Tocklai ...	12,174.53	...	...
Engineering Staff Quarters ...	31,340.32	...	...
Withering Chamber ...	66,148.81	...	...
	11,50,694.25	12,093.08	...
Non-recurring Expenditure against Tea Board Grant ...	1,24,685.38	...	...
Motor Cars & Vehicles ...	2,08,680.53	15,925.50	66,816.04

*Total Depreciation

Less adjustment in respect of sales/transfers ...

ASSOCIATION

Department

Capital Expenditure 1965—(Contd.)

Cost to 1965	Depreciation			Total Upto 31-12-1965	Balance at 31-12-1965
	Upto 31-12-1964		For 1965		
42,970'56	42,838'56	50%	66'00	42,904'56	66'00
10,473'32	7,485'32	10%	299'00	7,784'32	2,689'00
1,20,189'67	86,244'67	10%	3,395'00	89,639'67	30,550'00
53,933'94	36,554'94	10%	1,738'00	38,292'94	15,641'00
1,51,496'59	1,40,395'59	25%	2,775'00	1,43,170'59	8,326'00
6,74,059'59	6,40,017'51	50%	17,021'03	6,57,038'59	17,021'03
12,174'53	6,350'53	10%	582'00	6,932'53	5,242'00
31,340'32	17,848'32	10%	,349'00	19,197'32	12,143'00
66,148'81	66,148'81	...	...	66,148'81	...
11,62,787'33	10,43,884'25		27,225'08	10,71,109'33	91,678'00
1,24,685'38	36,424'38		15,340'00	51,764'38	72,921'00
1,57,789'99	96,113'49		17,804'50	1,13,917'99	43,872'00
	1,42,729'53		24,645'86		
	46,616'04		6,841'36	Total Rs. ...	15,74,733'61
	96,113'49		17,804'50		

INDIAN TE.

INCOME AND EXPENDITURE ACCOUNT

Year ended 31st Dec. 1964	EXPENDITURE	Rs.	P.	Rs.	P.
Rs.				Rs.	P.
3,50,000	To Contribution to Bengal Chamber of Commerce & Industry ...			3,92,000	0
43,976	„ Establishment ...	45,813	55		
22,564	„ Printing ...	22,309	80		
20,443	„ Stationery ...	23,254	44		
3,082	„ Books and Newspapers ...	3,193	10		
9,186	„ Postage ...	9,250	72		
2,807	„ Telegrams ...	3,601	89		
5,222	„ Telephones ...	5,773	25		
23,217	„ General Charges ...	23,376	22		
34,323	„ Travelling ...	32,878	00		
2,100	„ Audit Fee ...	2,600	00		
33,930	„ Sundry Subscriptions ...	31,630	00		
55,075	„ Pensions and Gratuities ...	61,387	62		
196	„ Emergency Expenses ...	7,127	90		
1,44,599	„ Law Charges ...	21,250	81		
4,000	„ UPASI Office Expenses ...	1,000	00		
1,11,020	„ Depreciation ...	1,07,482	44	4,01,929	7
2,84,998	„ Advisers' Salaries and Expenses ...	...	...	2,91,037	71
53,790	„ Statistical Department Expenses ...	...	...	54,452	51
41,405	„ Contribution to Indian Tea Association, London ...	...	...	41,405	21
2,494	„ Contribution to Terai Branch Indian Tea Association ...	...	...	3,040	81
1,69,066	„ Shillong Adviser's Expenses ...	1,80,198	99		
(—) 8,790	„ Less—Contributions ...	8,590	00	1,71,608	91
	„ Labour Department Expenses—				
2,24,030	„ Assam Branch ...	2,18,389	16		
19,752	„ Surma Valley Branch ...	14,280	73		
53,289	„ Darjeeling Branch ...	57,926	24		
1,75,379	„ Dooars Branch ...	1,67,266	99	4,57,863	11
7,624	„ Bad Debt ...	...	...	27,647	51
6,72,954	„ Deficit transferred from Scientific Department Income & Expenditure Account—annexed ...	...	...	6,22,445	11
25,61,632	TOTAL RS. ...	...	...	24,65,430	91

ASSOCIATION

for the year ended 31st December, 1965

Year ended 31st Dec. 1964.		INCOME						
Rs.				Rs.	P.	Rs.	P.	
20,13,515	By Subscription	...	...	...	...	18,60,906	32	
60,954	„ Interest	...	...	...	...	93,601	89	
3,06,219	„ Royalty on Prototype Machinery	...	...	...	...	...	...
3,000	„ Bungalow Rent	...	...	...	...	3,000	00	
500	„ Sale proceeds of typewriter	...	...	...	...	...	...
17,347	„ Profit on sale of Motor Cars	...	...	...	...	8,519	00	
1,60,097	„ Deficit transferred to Balance Sheet	...	...	...	...	4,99,403	70	
TOTAL Rs.		...	...	...	...	24,65,430	91	

INDIAN TEA

Scientific

INCOME AND EXPENDITURE ACCOUNT

Year ended 31st Dec. 1964	EXPENDITURE	Rs.	P.	Rs.	P.
Rs.					
1,41,394	To Office and Establishment ...	1,47,617	29		
65,339	.. Botanical Branch Expenses ...	76,509	85		
14,567	.. Agricultural Branch Expenses ...	20,853	54		
21,809	.. Biochemistry Branch Expenses ...	9,406	14		
8,662	.. Tea Testing & Mfg. Advisory Branch Expenses ..	8,782	70		
37,440	.. Engineering Dept. Expenses ...	30,900	27		
17,526	.. Plant Pathology ...	10,543	03		
4,662	.. Soil Physics Chemistry and Meteorology ..	5,589	69		
21,530	.. Statistical Branch Expenses ...	5,811	00	3,16,013	51
	.. Advisory Branch Expenses :				
44,462	Assam ..	49,305	51		
38,706	West Bengal ...	38,014	68	87,320	19
4,510	.. Calcutta Expenditure ...			11,127	58
2,56,128	.. Depreciation ...			2,16,765	44
6,76,735	Total Rs. ...			6,31,226	72

ASSOCIATION

Department

for the year ended 31st December, 1965

Year ended 31st Dec. 1964	INCOME	Rs.	P.	Rs.	P.
Rs.					
	By Interest			845	20
2,780	„ Sundry Receipts ... ..			...	...
...	„ Profit on sale of Motor Car ...			6,935	40
1,001	„ Rent of Plant, Machinery & other Equipment at Tocklai ...			1,001	00
6,72,954	„ Deficit transferred to Indian Tea Association Income and Expen- diture Account			6,22,445	12
6,76,735	Total Rs. ...			6,31,226	72

